



Daily Report

East Asia

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26 September 1990

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ASEAN Parliamentarians End Meeting 15 Sep

*BK1509142090 Singapore Domestic Service in English
1400 GMT 15 Sep 90*

[Text] ASEAN parliamentarians have ended their annual meeting in Singapore with a call to expand economic cooperation among member countries. They said with the solution to the Cambodian problem in sight, ASEAN should develop more economic exchanges to make the region grow faster. Leaders of the various delegations said this at a news conference after the closing of the 11th General Assembly of the ASEAN Interparliamentary Organization or AIPO.

In a joint communique, the parliamentarians expressed hope that the forthcoming ASEAN summit will further enhance economic cooperation. The organization also urged the ASEAN governments to intensify private sector's participation in joint economic projects.

On Cambodia, AIPO said it supports an agreement by Cambodian parties to form a Supreme National Council. It reiterated that a solution can only be achieved by negotiations and not by military means.

The organization also called on ASEAN to cooperate in culture and (?value information). They proposed a long-term program to set up schools for ASEAN students, and eventually an ASEAN university.

In the communique, the parliamentarians said they do not feel that the time is right for an ASEAN parliament. They recommended that MPs conduct more studies on the matter and discuss it at the next general assembly. The next AIPO meeting will be held in Thailand next year.

ASEAN Members Urged To Resist Protectionism

*BK1709081190 Kuala Lumpur International Service
in English 0600 GMT 17 Sep 90*

[Text] The two-day eighth ASEAN labor ministers meeting began in Kuala Lumpur this morning. In his opening speech, Deputy Prime Minister Ghafar Baba called on ASEAN members to work closely together and urge the International Labor Organization, ILO, to resist any restrictive measures aimed at curtailing trade and a free flow of capital and technology among nations. The move is necessary to deal with an increasing tendency among over-zealous labor activists of certain developed countries to champion protectionist causes under the guise of international labor standards and human rights. He points out that in recent years, some labor organizations had sought the introduction of social clauses in trade agreements. These clauses could enable their governments to introduce selective import restrictions against countries which, in their view, do not adhere to what they regard as fair labor standards.

Mr. Ghafar recalled the recent controversy involving Malaysia where it had to deal with three petitions seeking the removal of its privileges under the United States generalized system of preferences. In order to stem this tide of protectionism, ASEAN should work closely together. He said the 1990's will be a decade of new challenges in the region. Structural and economic transformation will call for a greater role of human resources, and labor should be in the focus to bring about some of the necessary changes.

ASEAN Forum Urges Successful Uruguay Round

*OW2109122090 Tokyo KYODO in English 1130 GMT
21 Sep 90*

[Text] Tokyo, Sept. 21 KYODO—Japan and the Association of Southeast Asian Nations (ASEAN), having closed their 12th economic forum on Thursday, issued a joint press release on Friday stressing the importance of successfully concluding the Uruguay round of multilateral trade talks by the year's end. "The meeting agreed that a successful conclusion of the Uruguay round by the end of the year was of utmost importance for the future trade environment of the world," the release said. The annual ASEAN-Japan Forum took place on Wednesday and Thursday between Japanese Foreign Ministry officials and delegates from the Philippines, Thailand, Indonesia, Malaysia, Singapore, and Brunei.

ASEAN urged Japan to support its positions in the Uruguay round and to meet its requests in such negotiation fields as textiles, agriculture, and tropical products, the release said. Japan, meanwhile, reiterated its resolve to contribute to the success of the multilateral trade talks in close cooperation with ASEAN, it said. The release said ASEAN representatives at the meeting expressed concern over the continuing trade imbalance between the two sides and urged Japan to import more manufactured and semimanufactured goods from ASEAN.

ASEAN called for further Japanese assistance in such areas as social development and proposed specific projects which would promote increased technology transfers from Japan.

Japanese representatives expressed satisfaction over the recent large increase in trade and investment between Japan and ASEAN, calling it proof of the "appropriateness" of current trade and industrial policies and structural adjustments. Japan pledged at the meeting to step up its cooperation in the field of environmental protection, while the two sides agreed that outside technical and financial assistance is needed if developing countries are to upgrade their management of tropical forest resources. ASEAN expressed concern over the effects on their development of the appreciation of the yen on world currency markets.

The two sides agreed to hold the 13th ASEAN-Japan Forum in Singapore in 1992.

Japan**Hashimoto: 'New Money' Key to Debtor Success***OW2609003990 Tokyo KYODO in English 2317 GMT
25 Sep 90*

[Text] Washington, Sep 25 (KYODO)—Japanese Finance Minister Ryutaro Hashimoto said Tuesday providing "new money" from both commercial and public sources rather than forgiving public debts should be the core to international debt-relief efforts.

Hashimoto said additional lending under "appropriate conditions" should play an active role in helping developing countries carry out reform of their economic structures and step up economic growth. He made the remarks in an address to the opening session of a three-day joint annual meeting of the International Monetary Fund (IMF) and the World Bank.

Hashimoto reiterated Japan's basic position at the gathering of world financial leaders that any proposals for complete forgiveness of swollen official debts incurred by developing countries should be dealt with cautiously.

The United States and some other countries have called for cancellation of public debts for heavily indebted countries. But creditor nations should not be preoccupied too much with the public debt issue to shut off the continued flow of new money to needy nations, Hashimoto said. Of crucial importance to those debtor countries, he said, would be the adoption of appropriate growth-oriented adjustment programs that could provide the basis for the strengthened debt relief strategy initiated by U.S. Treasury Secretary Nicholas Brady.

Efforts by creditor countries to alleviate the burdens of debtor nations also should be made on a coordinated and case-by-case basis in accordance with each country's economic and financial situation, the Japanese finance minister told the meeting.

Touching on recent events in the Middle East, Hashimoto said, "I believe it is most opportune that the IMF is considering allowing a greater degree of flexibility in the use of its resources in situations such as the present one. In this connection, I believe that it is particularly important to augment access to the IMF's resources for these countries and to activate the Compensatory and Contingency Financial Facility (CCFF) in a positive way." Hashimoto noted that the IMF has an "extremely critical role to play" in lending multinational support for the so-called frontline countries and non-oil-producing developing countries hard hit by soaring oil prices as a result of Iraq's August 2 invasion of Kuwait.

"By mobilizing its lending facilities as a catalyst for international assistance, the IMF is expected to promote the adjustment efforts of its member countries and thus play an active role as a core of support to those countries faced with difficulties," Hashimoto said.

Nakayama Calls for Revision of UN Charter*OW2509234590 Tokyo KYODO in English 2309 GMT
25 Sep 90*

[Text] New York, Sept. 25 KYODO—Japanese Foreign Minister Taro Nakayama called Tuesday for a revision of the 1945 U.N. Charter to eliminate indirect references to Japan and other countries defeated in World War II as "enemy states."

"The enemy-state articles remaining in the charter are inappropriate and meaningless in this new age and should be done away with as soon as possible," Nakayama said in an address delivered before the new 45th U.N. General Assembly session.

Nakayama also proposed in his address that, in the wake of the Persian Gulf crisis, the United Nations monitor weapons transactions more closely and establish a kind of "early warning" system to deal with conflicts before they escalate into crisis situations.

Officials said Nakayama's call for the removal of the offending clauses in the U.N. Charter, which was written in 1945 when a wartime mentality prevailed, represented the first time in 29 years that Japan had done so at such a level.

It paralleled a similar call issued by Italian Foreign Minister Gianni de Michelis, whose country has also been smarting under the clause.

Nakayama hailed the U.N.'s resolute actions against the Iraqi invasion of Kuwait and its efforts at restoring peace to Cambodia, saying they illustrate the organization's new found abilities to effectively perform peace maintenance and restoration activities. But he said there is nevertheless a need to "seriously consider" revamping the international body and strengthening its collective security functions so that it can better fulfill its mission amid the emerging new international order.

He proposed that when conflicts appear imminent, the Security Council and the U.N. secretary general sound a warning and move to lower the level of tension.

Nakayama said it is also important to build, maintain, and strengthen structures aimed at preventing the proliferation of missiles and weapons of mass destruction, including nuclear, chemical, and biological weapons.

Pointing to the evident consequences of other countries' past weapons exports to Iraq, he proposed the convening of meetings of experts to consider ways of ensuring the openness and transparency of weapons transactions. Japan's strict ban on the export of weaponry has greatly contributed to international peace and stability, he asserted.

Nakayama called on other countries to contribute to a trust fund established by Japan in August 1989 to support and expedite U.N. peacekeeping and conflict mediation activities. He said Japan is considering enactment of a new U.N. peace cooperation law which would allow it to better

exercise its international responsibilities, adding that Japan has no militaristic ambitions.

Nakayama called on Iraq to withdraw unconditionally from Kuwait and to release all foreign hostages.

He told the assembly that a resolution of Japan's territorial dispute with the Soviet Union over a group of islands is essential if the improvement in East-West relations witnessed on the European stage is to have full implications in the Asia-Pacific region.

Speaking in apparent opposition to Soviet, Canadian, and Australian calls for a comprehensive dialogue on Asia-Pacific security, Nakayama said it is first necessary to dedicate regional efforts toward resolving individual conflicts of a political and territorial nature.

Nakayama's call for a revision of the U.N. Charter focused on Articles 53 and 107. Article 53 of the charter defines any state which during World War II was an enemy of the original charter signatories as an "enemy state" and authorizes concerned governments to undertake "enforcement actions" against them without having to seek Security Council consent. Article 107 says that nothing in the charter invalidates or precludes such actions against the former World War II enemy states as long as they are taken or authorized as a result of the war.

Only last Friday, the director of the Japanese Foreign Ministry's U.N. Policy Division Director Yukio Takasu denied that Japan was ready to publicly call for an amendment of the charter to eliminate the enemy clauses. "We should focus on a bilateral approach very much in advance before we can say (that) publicly," said Takasu. Officials have since been unavailable to comment on the discrepancy.

An amendment to the charter would require the consent of the five permanent members of the Security Council and a vote of two-thirds of the members of the General Assembly. But some of the permanent member countries of the U.N. Security Council have traditionally been reluctant to agree to any amendment to the charter, believing that would increase pressure for a restructuring of the Security Council. Japan, Germany, India, and Brazil are believed to be among the states aspiring to permanent membership on the council, diplomatic sources said.

Nakayama Vows 'Close' Contact on Noncombatants

*OW2609015990 Tokyo KYODO in English 2357 GMT
25 Sep 90*

[Text] New York, Sep 25 (KYODO)—Foreign Minister Taro Nakayama on Tuesday pledged Japan's close consultations with its Asian neighbors on new legislation under study in Tokyo relating to the dispatch of non-combatants to international trouble spots under the United Nations flag. Nakayama made the pledge in a meeting with his Malaysian counterpart Dato Haji Abu Hassan, a Japanese official said.

The official said Nakayama emphasized efforts being made by the Japanese Government to impose "tough conditions" on the planned legislation to avoid making Asian and Pacific countries uneasy about Japan's intentions. "I myself will explain to the ambassadors from Asian countries the legislation and Japanese policy," the official quoted Nakayama as telling the Malaysian minister.

In an address to the United Nations General Assembly, Nakayama said the proposed law "would enable Japan within the framework of its Constitution to assume greater responsibilities regarding U.N. activities for preserving peace and to participate in international efforts in support of those activities."

Japan, which imports about two-thirds of its oil from the Middle East, has been under pressure from the United States to send military personnel to the Persian Gulf region to join the U.S.-led multinational forces defending Saudi Arabia and other Gulf states. But some Asian and Pacific countries have expressed apprehensions about the Japanese move, citing their experiences in World War II.

Abu Hassan welcomed the bill, tentatively called the United Nations Peace Cooperation Law, and Japan's contributions to the refugees fleeing from the Gulf region threatened by Iraq's invasion of Kuwait, the Japanese official said. Nakayama also stressed the need for the world community to maintain the economic embargoes against Iraq to pressure Iraq into withdrawing from Kuwait and releasing hostages, the official said.

The official said that Nakayama promised to send election observers to Cambodia and offer economic assistance to Cambodia once peace comes to the war-torn nation.

In a separate meeting with Indonesian Foreign Minister Ali Alatas, Nakayama praised the Indonesian Government for its efforts in making progress toward a peaceful settlement of the Cambodian conflict. Alatas told Nakayama that Indonesia has begun consultations with France to hold a peace conference on Cambodia in Paris at an early date, a Japanese Foreign Ministry official said.

Alatas also explained to Nakayama a fresh agreement on the appointment of Norodom Sihanouk as chairman of the Supreme National Council (SNC) and reported that the SNC would have 14 members.

The Japanese official said Nakayama and Alatas agreed to discuss at Thursday's dinner the questions of Cambodia and the Korean peninsula with their counterparts from 13 other Asian and Pacific countries, including the United States and the Soviet Union.

Nakayama Meeting With Perez de Cuellar Canceled

*OW2609061990 Tokyo KYODO in English 0235 GMT
26 Sep 90*

[Text] New York, Sep 25 (KYODO)—A scheduled meeting on Tuesday between Japanese Foreign Minister Taro Nakayama and United Nations Secretary General

Javier Perez de Cuellar has been canceled due to an extended session of the U.N. General Assembly, Japanese officials said.

The officials said they were uncertain whether the meeting can be rescheduled.

Officials To Attend First Gulf Crisis Meeting

OW2609061090 Tokyo KYODO in English 0229 GMT 26 Sep 90

[Text] Washington, Sep 25 (KYODO)—The newly created Gulf Crisis Financial Coordination Group announced by U.S. President George Bush on Tuesday, is likely to hold its first meeting on Wednesday and Japan will participate in the panel, Japanese Finance Minister Ryutaro Hashimoto said.

The first meeting of the group will be held in Washington, and will be joined by senior financial officials from participating countries, who are here to attend the current series of global financial leaders' talks, Hashimoto said Wednesday. Hashimoto, giving a press conference for Japanese reporters, declined to comment on what the meeting will actually discuss, saying that the character and other details of the new forum are not still clear.

According to the White House, participants in the newly created group will include Saudi Arabia, Kuwait, Japan, West Germany, France, Canada, and South Korea, as well as the IMF, the World Bank and the six-member Gulf Cooperation Council, which also includes Saudi Arabia and Kuwait.

Touching on an interim report by the International Monetary Fund (IMF) on its survey of the economic actualities in the Soviet Union, Hashimoto said the economic situation in that country seems to be very bad. He predicted that Western developed countries' financial assistance to the Soviet Union would become an urgent issue after the IMF survey is completed at the end of this year.

Japan and the United States, at the Houston Summit of Seven Western industrialized nations in July, showed reluctance to give financial assistance to Moscow pending the IMF survey, in sharp contrast with a positive stance by some of their European summit colleagues.

Bank of Japan Governor Yashui Meino, who was also present at Hashimoto's press conference, reiterated the central bank's stance of keeping control on credit to prevent inflation. If serious inflation were allowed to occur, the resultant recession would last for a long time, Meino said.

Hashimoto also said he believes that the Japanese currency should rise a little bit against major European currencies on exchange markets.

In another press conference joined by foreign journalists the same day, Hashimoto expressed strong concern about the adverse impact on the Japanese economy of surging oil prices. If oil prices reach and stay at a level of

40 U.S. dollars per barrel, it will not be easy for Japan to absorb the oil price hike and hold down inflation, the finance minister said.

Hashimoto also voiced concern about the danger of recession in the United States. He urged the United States "to choose policies that will lead to stability." If the U.S. falls into a recession and can no longer take an active role, other countries will be dealt a severe blow, he said.

On financial policy, Hashimoto said Japan has "no intention of becoming the first" to increase interest rates.

Hashimoto had a brief five-minute meeting on Tuesday with President George Bush at a Washington hotel where Bush conveyed his appreciation of Japan's contribution to assist countries seriously affected by the Gulf crisis, the finance minister's aides said. Japan has so far pledged a total of 4 billion dollars—2 billion dollars for U.S.-led multinational military forces in the Gulf area and 2 billion dollars for countries affected by the crisis. Bush did not make any specific request for additional contributions by Japan in the Gulf crisis, the aides added.

Kaifu To Outline New Law on Gulf Personnel

OW2509130790 Tokyo KYODO in English 1217 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—Prime Minister Toshiki Kaifu will announce Thursday the outline of a new law allowing the dispatch abroad of noncombat personnel of the country's Self-Defense Forces (SDF) to assist in U.N. peacekeeping activities, officials said Tuesday.

Kaifu will announce the outline of the proposed United Nations Peace Cooperation Law in a news conference on the eve of his departure for a 12-day trip to the United States and five Mideast countries. Details of the bill have not yet been revealed.

The new legislation, which is subject to approval by both houses of the Diet, will be the government's response to growing international calls for Japan to provide not only financial but also personnel assistance to help the United Nations peacekeeping activities in the event of an international crisis, officials said.

Since Iraq's August 2 invasion of Kuwait, Japan has come under foreign pressure, particularly from the United States, to help assist in multinational efforts to restore peace and stability in the Persian Gulf.

Japan has so far pledged to provide 2 billion dollars in financial assistance to the U.S.-led multinational forces in the gulf, another 2 billion dollars in economic assistance to what are called "frontline countries," especially Egypt, Jordan, and Turkey, and 22 million dollars to refugees fleeing from Iraq and Iraqi-occupied Kuwait.

It will also send a 100-member medical team to the Gulf.

Before Kaifu announces the contents of the new legislation, his Chief of Staff Misoji Sakamoto will pay a round of calls on factional leaders of the ruling Liberal Democratic Party in an effort to gain their support, officials said.

Kaifu himself will attend a meeting Wednesday with his predecessors, LDP elders, and incumbent key LDP officers to give the finishing touches to the new bill. The bill is aimed at establishing a U.N. Peace Cooperation Corps which will help U.N. activities in the non-combat fields of transportation, communications, medicine, surveillance, and economic reconstruction, government sources said.

Noncombat SDF personnel will be the pillar of the team which will comprise about 1,000 people from both the public and private sectors, the sources said. Japan currently cannot send SDF personnel, even of noncombat status, abroad under its war-renouncing Constitution and the SDF Law.

Kaifu himself proposed enactment of the U.N. Peace Cooperation Law to make the dispatch of noncombatants possible.

Egyptian Ambassador to Tokyo Views Gulf Crisis

OW2609033390 Tokyo KYODO in English 0131 GMT 26 Sep 90

[Text] Tokyo, Sep 26 (KYODO)—The Persian Gulf crisis is likely to cost Egypt over 9 billion dollars in lost income, but in the long-run its benefits may outweigh the costs, according to Egypt's envoy to Tokyo. One unexpected bonus comes in the form of stronger relations with Japan—which will be the focus of attention next week when Prime Minister Toshiki Kaifu becomes the first Japanese premier to pay a state visit to Cairo. "This is something that will always be remembered: that the prime minister of Japan, this big power, has come to our area during this very difficult crisis and has made a positive contribution," Egyptian Ambassador Wahib el-Minyawi said in an interview with KYODO NEWS SERVICE.

"By this Japan will consolidate its understanding of its role in the region, and this will enable Japan to establish very solid relations with this strategic area." Kaifu's October 2-9 tour of Egypt, Jordan, Turkey, Saudi Arabia, and Oman will make him the first leader of a major industrial power to visit the Mideast following Iraq's sudden invasion of Kuwait on August 2. He is only the second Japanese premier to travel to the region. Preceding Kaifu was Prime Minister Takeo Fukuda, who paid a visit to Japan's major oil suppliers in 1978.

In contrast to the earlier visit, which was primarily concerned with securing Japan's energy supply, this trip heralds a new political role for Tokyo, the envoy suggested. "Japan has emerged as a major power, if not a superpower, and of course any superpower has its obligations and responsibilities," El-Minyawi said. "I think the Japanese have acknowledged this," he said, citing

Japan's 2 billion dollar contribution to countries hard hit by U.N. economic sanctions.

Egypt is due to receive half of the 600 million dollars in emergency commodity loans being offered by Japan to Egypt, Jordan, and Turkey. It is also expected to receive a portion of the remaining 1.4 billion dollars, which will be dispersed in consultation with international financial bodies. Recent Egyptian estimates show a loss of 9.5 billion dollars due to the crisis, which has forced over 1 million Egyptians to flee Iraq and Kuwait, and reduced income from the Suez Canal and regional trade. But the gains anticipated by El-Minyawi are not the sort that can be simply represented in figures. The new cooperation between the United States and the Soviet Union could help expedite a solution to the Arab-Israeli dispute, and lead to self-determination for the Palestinians, he said. If the Gulf crisis is a test of diplomacy in the post-cold war era, the superpowers have "passed with a mark of excellence," el-Minyawi said.

Inoki Warns of Iraq's Growing 'Ill Will'

OW2609024490 Tokyo KYODO in English 1458 GMT 25 Sep 90

[Text] Tokyo, Sept. 25 KYODO—Ill will against Japan is growing in Baghdad, but the release of Japanese nationals trapped in Iraq is possible, pro wrestler-turned politician Antonio Inoki said Tuesday. Inoki was speaking to reporters upon his return from Iraq, where he held talks with Deputy Prime Minister Taha Yasin Ramadan and other leaders on the hostage issue. Inoki said Ramadan pledged to release 16 Japanese who are in poor health. There are a total of 141 Japanese held in Iraq.

Inoki, an opposition member of the House of Councillors, said there have been irresponsible remarks made in Japan concerning the Persian Gulf crisis. Each of these remarks is affecting the fate of the Japanese in Iraq, he said.

The Iraqis, who were once pro-Japanese, are now harboring growing anti-Japanese sentiment, making it difficult to negotiate the release of the Japanese hostages, Inoki said.

Inoki, leader of the one-man party for peace through sports, which is allied with the Democratic Socialist Party in the Diet, asked other politicians to "risk their political lives" in tackling the Gulf crisis. He asked the Japanese Government not to follow in the footsteps of the United States but to adopt a balanced understanding of the Islamic world.

Inoki released copies of two letters sent from the Japanese community in Iraq to Prime Minister Toshiki Kaifu, asking the government to send a special envoy to Baghdad. The letters, dated September 4 and 6, asked the Japanese Government not to contribute any more funds to the multinational forces deployed in the Gulf and to provide Iraq with medical supplies and food.

Meanwhile, parliamentary Vice Minister for Foreign Affairs Ichiji Ishii criticized Inoki for his personal action to win the release of Japanese held in Iraq, saying his ministry and the Japanese Embassy in Baghdad are not involved in Inoki's actions.

In a related development, the Japan Socialist Party (JSP), the country's No. 1 opposition party, said Tuesday it will send a 10-member delegation to Iraq, Jordan, and Egypt around September 29.

JSP Chairwoman Takako Doi will meet Iraqi Ambassador Rashid al-Rifai on Wednesday and urge the early release of foreign nationals and a peaceful settlement to the Gulf crisis, party officials said.

Kaifu, Tunisian Legislator Agree on Gulf Moves

OW2609051990 Tokyo KYODO in English 0343 GMT 26 Sep 90

[Text] Tokyo, Sept. 26 KYODO—Prime Minister Toshiki Kaifu and Slaheddine Baly, president of Tunisia's National Assembly, agreed Wednesday that both countries should continue their efforts to promote a peaceful resolution of the Persian Gulf crisis, Foreign Ministry officials said.

Baly, who paid a courtesy visit to the prime minister's official residence, was quoted as saying his country is assisting attempts to resolve the crisis by keeping in close contact with the countries involved and stressed his belief that United Nations Security Council resolutions should be implemented as a means to secure safety and peace in the Gulf area. Tunisia is imposing economic sanctions against Iraq as part of international efforts to force the country to withdraw its troops from Kuwait, Baly said.

Kaifu said peace should not be destroyed by force and added that Japan will do its best to promote international order.

Baly is in Japan at the invitation of the speaker of the House of Representatives and the president of the House of Councillors.

KYODO Reports Oil Reserves Rise in Aug

OW2609090190 Tokyo KYODO in English 0843 GMT 26 Sep 90

[Text] Tokyo, Sept. 26 KYODO—Japan's crude oil reserves at the end of August amounted to 521.50 million barrels, up 2.26 million barrels from late July, officials at the Ministry of International Trade and Industry (MITI) said Wednesday. Total oil reserves in both the private and public sectors amounted to 142 days' supply, the officials said.

The additional oil reserve of 2.26 million barrels would last Japan just under 15 hours. This country's daily consumption is 3.65 million barrels.

Oil reserves in the private sector at the end of August came to 324.25 million barrels, while those held by the

Government totaled 197.25 million barrels, according to the officials. All of the 2.26 million barrels added to Japan's oil reserves went to the stockpile in the private sector, they said.

The current Middle East crisis had no influence on the oil supply in August since the tankers that arrived in Japan during the month had been loaded and left ports in July.

The increase in oil reserves in August was larger than the Government's original target of a 1.38 million-barrel rise.

Trans-Pacific Container Ship Rates To Rise

OW2109211890 Tokyo KYODO in English 1256 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Thirteen major trans-Pacific container ship operators, including Nippon Yusen K.K. (NYK) and American President Lines, have agreed to raise freight rates to reflect sharply increased fuel oil prices, NYK President Jiro Nemoto announced Friday. The operators also agreed to reduce further the supply of container space aboard ships for three months from December, and to raise basic freight rates from May 1, 1991.

The agreement came at a top-level meeting of the 13 shipping companies, which form the Trans-Pacific Stabilization Agreement (TSA), earlier in the week at Newport Beach in California.

The firms are from seven countries and territories—Japan, the United States, Denmark, South Korea, Hong Kong, Taiwan, and Singapore. NYK President Nemoto made the announcement in his capacity as TSA chairman.

Compensation Linked to Normalized DPRK Ties

OW2609054790 Tokyo KYODO in English 0521 GMT 26 Sep 90

[Text] Tokyo, Sept. 26 KYODO—It is "impossible" for Japan to open negotiations with North Korea on compensation for the 1910-45 Japanese colonial rule on the Korean peninsula unless the talks are done through diplomatic channels, a government source said Wednesday. The remarks came on the heels of comments made on Tuesday in Pyongyang by former Deputy Prime Minister Shin Kanemaru, one of the most influential politicians of the ruling Liberal Democratic Party (LDP), that Japan was responsible for solving the compensation issue regardless of the absence or otherwise of diplomatic relations.

The source said the Japanese Government would do "everything possible" to accommodate North Korea over the compensation issue, but negotiations are complex and cannot be done in the absence of diplomatic relations. The source cited the calculation of bank savings and assets lost by Koreans as a result of Japan's colonial rule as an example of the difficulties involved in any negotiation process.

"It is impossible (to calculate such sums) unless they are done properly through diplomatic negotiations," the source said. North Korea has insisted that Japan's compensation and apology for the damage and sufferings caused by its colonial rule was a precondition to improving ties between the two nations. Kanemaru, who is currently on a five-day visit to North Korea, has said that Japan is ready to pay compensation to North Korea along the lines of the formula Japan and South Korea followed when they normalized ties in 1965. Japan extended 500 million U.S. dollars in economic assistance as compensation on that occasion.

North Korea is reluctant to establish formal diplomatic ties with Japan on the grounds that such a move would keep the Korean peninsula permanently divided and jeopardize its drive to unify North and South Korea. Japan's Foreign Ministry has maintained that the compensation issue should be addressed at government-level talks when the two nations negotiate the establishment of diplomatic relations. The current mission is regarded as party-level, not governmental, contacts.

Mission to DPRK Proceeds 'Without a Hitch'

*OW2509145290 Tokyo KYODO in English 1251 GMT
25 Sep 90*

[Text] Tokyo, Sept. 25 KYODO—Former Deputy Prime Minister Shin Kanemaru's historic visit to North Korea is going "without a hitch," Foreign Ministry spokesman Taizo Watanabe said Tuesday.

Meanwhile, Chief Cabinet Secretary Misoji Sakamoto told reporters the government has received word that Kanemaru's first formal talks with North Korean ruling party officials earlier in the day took place "in a good atmosphere." Kanemaru, one of the most influential members of the LDP [Liberal Democratic Party], is co-leader of a delegation that arrived in Pyongyang on Monday. The delegation consists of officials from the ruling Liberal Democratic Party (LDP) and the Japan Socialist Party (JSP). The mission hopes to achieve government-to-government contacts through the exchange of liaison offices and secure the release of two Japanese fishermen detained in North Korea since 1983.

Sakamoto said the Japanese Government hopes establishment of the liaison offices would facilitate expanded dialogue with North Korea.

Watanabe, questioned on talks in Pyongyang on the prospect of an apology and compensation from Japan for its colonization of the Korean peninsula from 1910 to 1945, said such matters should be addressed after the delegation is debriefed upon its return to Japan on Friday.

Distancing the government from Kanemaru's mission, the spokesman said any pledges made on these questions by Kanemaru in Pyongyang would be regarded in Tokyo as private decisions on the part of the LDP official. He reiterated the government's position that the issues

cannot be taken up in the absence of diplomatic relations between Japan and North Korea.

Watanabe added the government's feelings toward the people of the Korean peninsula have been expressed in the recent past and they apply equally to North as well as South Korea.

Nakayama Meets ROK Foreign Minister Choe

*OW2609020590 Tokyo KYODO in English 0113 GMT
26 Sep 90*

[Text] New York, Sep 25 (KYODO)—South Korea asked Japan on Tuesday to continue efforts to make North Korea more open to the rest of the world, Japanese officials said. South Korean Foreign Minister Choe Ho-chung made the request to his Japanese counterpart Taro Nakayama in their meeting while attending the United Nations General Assembly. Nakayama told Choe Japan will try to improve relations with North Korea in a balanced way in conjunction with related moves in Soviet-South Korean, China-South Korean, and U.S.-North Korean relations.

Nakayama told Choe that the current visit to Pyongyang by a ruling Liberal Democratic Party (LDP) delegation led by former Deputy Prime Minister Shin Kanemaru is aimed at opening the door to governmental dialogue between Japan and North Korea, and securing the release of two Japanese seamen detained in North Korea for the last seven years. Nakayama expressed support for South Korea's bid to seek simultaneous separate membership in the United Nations with North Korea. He warned that a unilateral move by Seoul on the U.N. membership issue might further isolate Pyongyang and cool the North-South dialogue, the officials said.

Discussing bilateral issues with Nakayama, Choe urged that Japan improve the status of Korean residents of Japan, including the abolition of the fingerprinting of first- and second-generation resident Koreans, and allowing the employment of Koreans as teachers in public schools. Choe also expressed hope for an early visit to South Korea by Prime Minister Toshiki Kaifu. The two foreign ministers also agreed to hold a bilateral ministerial meeting by the end of this year.

Legislative Delegation Returns From Moscow

*OW2609051790 Tokyo KYODO in English 0414 GMT
26 Sep 90*

[Text] Tokyo, Sep 26 (KYODO)—A delegation of about 50 legislators returned to Japan from a weeklong visit to Moscow to attend a Japanese cultural festival and meet Soviet officials. During their trip, former Chief Cabinet Secretary Keigo Ouchi, who led the delegation in place of former Foreign Minister Shintaro Abe, met with President Mikhail Gorbachev.

Other members of the delegation met Soviet Defense Minister Dmitriy Yazov. Abe abandoned the trip due to ill health.

The visit was aimed at promoting bilateral ties and smoothing the way to resolution of a territorial dispute with the Soviet Union in advance of Gorbachev's planned visit to Japan next April,

New Strength of Political Parties in Diet Noted

OW2409141690 Tokyo KYODO in English 1314 GMT 24 Sep 90

[Text] Tokyo, Sept. 24 KYODO—The following is a new table of the strength of political parties in both houses of the Diet following the death of two of its members Monday:

House of Representatives	Parties	House of Councillors
284	LDP	110
139	JSP	73
46	Komeito	20
16	JCP	14
14	DSP	10
5	Shimp Minshu Rengo	—
—	Rengo Sangin	12
—	Sangin Club	4
—	Zeikinto	4
7	Independents	4
1	Vacancies	1
512	total	252

Bank of Japan Tightens Commercial Bank Lending

OW2209092090 Tokyo KYODO in English 0903 GMT 22 Sep 90

[Text] Tokyo, Sept. 22 KYODO—The Bank of Japan (BOJ) will tighten restrictions on additional lending by the nation's 12 major commercial banks for the October-December quarter in an attempt to curb inflationary pressures from rising oil prices, central bank sources said Saturday.

The sources said that the central bank plans to pressure the city banks to reduce the year-on-year increase of their loans by about 30 percent, representing the fourth consecutive quarter of double-digit cuts in loan growth.

Through the so-called "window operation" and last month's official discount rate hike, the central bank hopes to arrest rising prices resulting from higher oil prices and expanding Japanese economy, they said.

The central bank sources said the demand for funds by industries has increased despite the base rate hike and higher long-term interest rates so the tighter operation is necessary to maintain the recent slowdown in the growth of the money supply.

Unified Foreign Exchange Rate Practice To End

OW2109202390 Tokyo KYODO in English 1345 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—Japan's 33-year-old unified yen-dollar customer exchange rate practice will be ended next Tuesday, dealers said Friday.

A group of 18 Japanese foreign exchange banks and brokers agreed that the practice should go and that they should determine such customer selling and buying rates on their own, effective next Tuesday. Dealers said that banks will freely set prices of foreign currencies and traveler's checks.

The Bank of Japan hailed the move. The liberalization will affect only small-lot exchange deals since in case of large-lot deals—1 million dollars or above—liberalization was carried out a long time ago, central bank officials said.

No great confusion is expected to ensue since the Bank of Tokyo will show reference customer rates on the basis of the yen-dollar exchange rate as of 9:55 A.M. every day, the dealers said.

International Tender for Kansai Airport Set

OW2609093890 Tokyo KYODO in English 0900 GMT 26 Sep 90

[Text] Osaka, Sept. 26 KYODO—An international tender will be held in early October to invite bids for construction of the passenger terminal at the New Kansai International Airport in Osaka, airport company officials said Thursday. A list of companies submitting bids for the terminal, estimated to cost around 150 billion yen, will be officially announced soon, according to the officials of Kansai International Airport Co.

The tender for the five-story, 300,000 square meter terminal is the second in the airport project, following international bidding in June for construction of 19.4 kilometers of roads on reclaimed land.

Holding international bidding is intended to ease friction between Japan and the United States over the limited access for foreign companies in Japan's construction market.

The 1 trillion yen airport, which will be the first 24-hour airport in Japan, being built on a man-made island in Osaka Bay, is scheduled to open in March 1993.

Ministries To Streamline Import Procedures

OW2109180590 Tokyo KYODO in English 1158 GMT 21 Sep 90

[Text] Tokyo, Sept. 21 KYODO—The Japanese Government will inaugurate an interministry liaison council Tuesday to streamline import formalities as promised the U.S. Government, officials said Friday. The council will be made up of representatives of the Secretariat to the

cabinet, and the Ministries of Foreign Affairs, Finance, Health and Welfare, Agriculture, Forestry and Fisheries, International Trade and Industry, and Transport.

The United States in its Structural Impediments Initiative (SII) negotiations with Japan earlier in the year, said the present Japanese import procedures are excessively complicated and time-consuming. The U.S. wanted import formalities to be streamlined by 1991 so that import permits can be given within 24 hours after presentation of import declarations to the authorities. As a first step, the council will check the time needed in following import procedures. U.S. authorities will also conduct the same checkup.

Automobile Production Increases 8.1% in Aug

*OW2109082490 Tokyo KYODO in English 0708 GMT
21 Sep 90*

[Text] Tokyo, Sept. 21 KYODO—Japan's automobile production in August rose 8.1 percent from a year earlier to 962,257 vehicles, an industry report said Friday. The figure is a record high for August, and shows that strong domestic demand is continuing to stimulate production, despite a 1 percent fall in monthly exports, the Japan Automobile Manufacturers Association said.

Production of passenger cars increased 12.0 percent to 709,785 vehicles. Trucks were down 1.7 percent to 249,436 vehicles. Buses rose 12 percent to 3,036 vehicles.

Cocom Urged To Lift Curbs on DRAM Chips

*OW2609063290 Tokyo KYODO in English 0528 GMT
26 Sep 90*

[Text] Tokyo, Sept. 26 KYODO—Japan is urging COCOM to allow exports of one-megabit dynamic random access memory (DRAM) chips to communist and former communist nations, government sources said Wednesday. The Japanese plan was presented to COCOM—the Coordinating Committee for Multilateral Export Controls—in mid-September, the sources said.

The Paris-based watchdog body of 16 Western nations is to draw up a new list of restricted items in December, they said.

The Japanese proposal to completely liberalize exports of the high-technology product for computers follows lifting of restrictions on shipments of all 256-kilobit DRAMs and partial lifting of controls on one-megabit DRAMs in July. COCOM reduced the number of restricted items to 80 from 116 in July in the wake of democratic reforms in Eastern Europe last year.

Government To Maintain Ban on Rice Imports

*OW2609024390 Tokyo KYODO in English 1449 GMT
25 Sep 90*

[Text] Tokyo, Sept. 25 KYODO—The Japanese Government, determined to maintain its ban on rice imports,

will not present any data on how the ban could be converted into tariff-based restrictions as required in a report to be submitted to world farm trade talks, government sources said Tuesday.

Such a report is required for farm trade negotiations slated for early October in Geneva under the Uruguay Round of Multilateral Trade Talks, aimed at drafting new rules on trade in agriculture and 14 other sectors of world commerce. The talks are sponsored by the General Agreement on Tariffs and Trade (GATT).

The United States has been pressing for conversion of nontariff import restrictions into tariffs in a step toward reducing domestic farm support. The sources said Japan's report will instead contain data on how much the government spends protecting its rice market under a formula devised by GATT, the sources said. They declined to disclose specific figures, but the GATT Secretariat has estimated Japanese spending at 5 trillion yen in 1986 and 4 trillion yen in 1989 when tallied under the aggregate measure of support (AMS). The AMS uses price support measures and all types of farm subsidies in calculating the degree of domestic protection of agriculture.

Other nations involved in the four-year trade talks will also submit reports on domestic protection of their agriculture markets, following an agreement reached last July by the policy-setting Trade Negotiations Committee.

Agriculture has proved the thorniest issue in the Uruguay Round as the U.S. and the European Community (EC) remain widely divided over ways to slash export subsidies.

Japan has strongly opposed the U.S. proposal for conversion of nontariff import restrictions into tariffs. The government has insisted on maintaining its ban on rice imports to secure self-sufficiency in the staple food. Rice imports are virtually banned at present, except for limited quantities for use in processed foods.

Correction to Union Criticizes Reduction Plan

OW2509014290

The following corrections pertain to the item headlined "Union Criticizes U.S. Base Reduction Plan," published in the 24 September East Asia DAILY REPORT, page 4: Column two, paragraph two, first sentence, make read: ...[Text] The Air Force branch of the local headquarters (Chairman Kiyoshi Tamaki) of the All Japan Garrison Forces Labor Union [Zenchuro] held its 37th regular convention on 22 September at Minamitobaru Community Center. The branch adopted "a resolution... (rewording, correcting name of trade union organization) Paragraph three, sentence two, make read: ...although 110 MLC [Master Labor Contract] employees... (correcting expansion of "MLC.")

Mongolia

Dzorig Receives Australian Parliamentary Group

OW2609094290 Ulaanbaatar International Service
in English 0810 GMT 26 Sep 90

[Text] Chairman of the Executive Committee of the Mongolian Parliamentary Group, Mr. Dzorig, has met in Ulaanbaatar the visiting Australian parliamentary delegation. Mr. Dzorig spoke of a new multiparty composition of Mongolian Parliamentary Group and noted the need of raising the role of the Parliamentary Group in expanding Mongolia's foreign relations.

The Mongolian Parliamentary Group incorporates six independent subgroups destined for strengthening interstate relations and cooperation. Mr. Dzorig informed of the plan to establish soon a Mongol-Australian group there.

The sides expressed their mutual interest in turning the Asia-Pacific region into a zone of peace and in further cooperation on urgent international problems.

British Trade Delegation Arrives for Talks

OW2509120690 Ulaanbaatar International Service
in English 0810 GMT 25 Sep 90

[Text] A British trade delegation headed by Mr. Wuding, chairman of the United Kingdom Council on Trade Relations With Eastern Europe, has arrived in Ulaanbaatar at the invitation of the Trade and Industry Chamber of Mongolia. The delegation, composed of representatives of about 20 British companies and corporations, will discuss with the Mongolian side a broad cooperation agreement in economy and science. Besides, it will exchange views on ways and possibilities of expanding the bilateral contacts in the fields of public health service, agriculture, and transport. Besides, a number of agreements on mutual goods deliveries will be signed.

Opposition Politician Interviewed on Change

AU2309201090 Budapest NEPSZABADSAG in
Hungarian 18 Sep 90 p 6

[Interview with G. Bosigt, Mongolian opposition politician, by Lajos Kormendi; place and date not given: "We Need A Peaceful Revolution"]

[Text] G. Bosigt [name as published] belongs to the Buriat people in Mongolia—a country of many nationalities—and he was the leader of the March revolution in Mongolia. His father was the personal secretary of Choybalsan [name as published], the "Stalin of Mongolia," but he revolted against his employer. G. Bosigt attended the faculty of medicine in Szeged, Hungary. He has an excellent command of Hungarian, and he is the most outstanding translator of Hungarian prose in Mongolia. He speaks English, German, Russian, French, and Latin,

and he also has a fairly good command of the other Slavic languages. He is 50 years old.

[Kormendi] Things seem fairly quiet in Mongolia at the moment.

[Bosigt] It is quiet. The calm before the storm. Serious changes can be expected. However, I hope the changes will shed no blood in future.

[Kormendi] In Ulaanbaatar, they say it came very close to bloodshed in March.

[Bosigt] That is true. On 7 March, six of us sat down on the Szuhebator [name as published] Square, in front of the party headquarters, and we began a hunger strike. We were demanding the resignation of the Politburo of the Mongolian People's Revolutionary Party [MPRP]. Our hunger strike lasted for three days. More people joined us, particularly when the foreign press and television came on the scene. At that point, we no longer let them join us. However, the crowd grew. Meanwhile, the people we had asked to resign were negotiating inside the party headquarters, and they wanted to send out tanks against us. Batmonh's firm behavior foiled that plan. In the end, we won, and the Politburo resigned. Nevertheless, those who sat in the party headquarters also made a historical move, because they were able to surpass themselves in making their decision. I even said that in a radio interview on the square, but anti-Communism is so strong in Mongolia now, that I was attacked for my statement. Yet, when the other side makes such a move, it has to be given credit for its action.

[Kormendi] Was the atmosphere very tense in Ulaanbaatar at the time?

[Bosigt] Yes, but it became even more tense afterward. A few days later, an enormous demonstration was held. At least 20,000 people were present, which is an enormous number for Mongolia. The situation was even more dangerous then, because we were surrounded by armed troops. However, in the end, there was no bloodshed.

[Kormendi] What were your demands?

[Bosigt] The withdrawal of Soviet troops, a multiparty system, democracy, and a market economy—the same as the Hungarian demands.

[Kormendi] Do you see any other similarities between the Mongolian and the Hungarian revolutions?

[Bosigt] Of course I see other similarities. In Mongolia, there are also too many people who speak only to be seen by their relatives and neighbors on television, so the latter can go green with envy. I was in Hungary last year, and I experienced the same phenomenon. There is no need to speak so much. Facts should speak for themselves! So far, I have tried to stay in the background and to speak as little as possible in public. In this situation, there is no need for people who want to be stars. We need people who are prepared and who work hard.

[Kormendi] You are the founder of a party, and you are referred to as "The Doctor" by everybody in Mongolia. What party did you found?

[Bosigt] The Democratic Party. I left the MPRP [Mongolian People's Revolutionary Party] last year and formed this new party. My old party, the Communists, discussed my resignation at their meetings, and they called me a traitor. That does not matter. We created the Democratic Party for the reasons I mentioned before— independence, democracy, and market economy—and we became quite strong within a short period of time.

[Kormendi] Yet you are not part of the Democratic Party leadership at the moment.

[Bosigt] I have been excluded from the party.

[Kormendi] Why did that happen?

[Bosigt] I had a rival who had different opinions. He won, for the time being. I speak with emotion and passion, and he speaks calmly, with consideration. It seems he was more attractive to our members. His aim is to repair socialism, but that is absurd! We already have a communist party, why do we need another one?

[Kormendi] The opposition was defeated in the elections. How do you explain that?

[Bosigt] The opposition was divided. That is the only reason why the Communists could win.

[Kormendi] Are today's Communists the same as yesterday's Communists?

[Bosigt] No, they are not the same. The reformers have come to power. That represents a different quality.

[Kormendi] Still, why do you think there will be further changes in this calm after the elections?

[Bosigt] Life goes on. The members of the Democratic Party have also realized they made a mistake in excluding me. They will shortly be holding a congress, will rehabilitate me, and will take me back into the party. In other words, they will accept democracy and market economy, after all.

[Kormendi] Whom do you expect assistance from to introduce a market economy and restructure your economy?

[Bosigt] We expect assistance from Japan and South Korea.

[Kormendi] Do you think Mongolia—a poor country with a small population—could represent a market for Japan?

[Bosigt] No, I do not think so. However, through us, Japan could reach two huge markets, namely the Soviet Union and the PRC. That is why Japan is interested in Mongolia.

[Kormendi] Many people in Ulaanbaatar are worried about the future of the Mongolian economy if the experts leave together with the Soviet troops.

[Bosigt] What experts do you mean? They are bad experts. They do not really know anything about their profession. You just need to look at Mongolia. What they have done is anachronistic and primitive. We will bring better experts than that, we will pay them, and we will

expect things from them. We also had to pay the Soviets, but we could not expect anything from them.

[Kormendi] How are the changes in East Europe viewed in Mongolia?

[Bosigt] We find the events over there too wild and noisy. We would like our revolution to be more peaceful.

[Kormendi] There are Mongolians living outside of Mongolia. For example, there are Kalmucks and Buriats living in the Soviet Union, and there are many Mongolians living in the PRC and in Inner Mongolia. What kind of relations do you want to develop with these Mongolians?

[Bosigt] At the previous congress of the Democratic Party, a delegation from Inner Mongolia appeared while the political debate was going on. They came with banners, and they even voiced their opinions. I was angry, as I did not see the point in this demonstration. Is it any good to provoke the anger of the PRC? The next day the Chinese protest message arrived, as anticipated. We have to solve our own problems first within the borders of our country. Mongolians living outside our country should also realize this. If we come into a conflicting situation with our mighty neighbors because of the Mongolians outside our country, this might even jeopardize our restructuring efforts at home.

[Kormendi] How do you view Mongolia's future?

[Bosigt] I see our future as difficult, but encouraging. We have to start from our own potential. We cannot copy foreign examples, like the Hungarian one. We need a peaceful revolution. There must be no bloodshed. We cannot finish off the Communists. There is no need for sacrifices. There are so few Mongolians as it is that we need them all.

Byambasuren Discusses Structure of Government

*OW2509124490 Ulaanbaatar International Service
in English 0810 GMT 25 Sep 90*

[Text] At the recent session of the State Small Hural, Prime Minister Byambasuren presented the members of parliament his suggestions concerning the functions and structure of the future government. The prime minister described in detail the economic, social, technological, ecological, cultural, and foreign policy guidelines of the future cabinet. Mr. Byambasuren plans to have 12 ministries plus two [number as heard] state committees.

The State Small Hural continues the discussions of candidates to governmental posts.

North Korea**Continuing Reportage on Japanese Official Visit****Kim Il-song Meets Delegation**

*SK2609090090 Pyongyang Domestic Service
in Korean 0703 GMT 26 Sep 90*

[Text] The great leader Comrade Kim Il-song received a delegation of Japan's Liberal Democratic Party [LDP] and a delegation of the Japan Socialist Party [JSP].

The great leader Comrade Kim Il-song today received a delegation of the LDP led by Mr. Shin Kanemaru, former Japanese deputy prime minister and a dietman who is visiting our country, and a delegation of the JSP led by Mr. Makoto Tanabe, vice chairman of the Central Executive Committee of the JSP and a dietman.

Comrade Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], vice chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and an SPA deputy; Choe Su-kil, director of a department of the WPK Central Committee and an SPA deputy; Chong Chun-ki, vice chairman of the Foreign Affairs Committee, chairman of the Society for Cultural Relations with Foreign Countries of Korea and an SPA deputy; Choe Mun-sun, responsible secretary of the WPK Pyongyang Municipal Committee; Yi Mong-ho, senior secretary of the SPA Standing Committee; An Tong-yun and Kim Yang-kun, deputy directors of departments in the WPK Central Committee; Chon In-chol, vice minister of the Foreign Ministry; Chon Yon-ok, vice chairman of the Society for Cultural Relations with Foreign Countries of Korea; (Kim Yong-ung), president of the Korean Civil Airlines and an SPA deputy; and Nam Sun-hui, dean of the Pyongyang Teachers College and an SPA deputy, attended the talks.

At the talks, Shin Kanemaru and Makoto Tanabe, leaders of the delegations, conveyed personal letters from Toshiki Kaifu, president of Japan's LDP and from Takako Doi, chairman of the Central Executive Committee of the JSP, to the great leader Comrade Kim Il-song.

Party president Toshiki Kaifu apologized for and reflected on the unbearable pain and misfortunes that Japan inflicted on the Korean people. He expressed the hope for improving relations between the DPRK and Japan.

The great leader Comrade Kim Il-song welcomed the visit to our country by the LDP and JSP delegations of Japan with aspirations for improving relations between the DPRK and Japan. He said that he hopes that the delegations' visit to our country will be a starting point for improving the relations between the DPRK and Japan and had a conversation with the guests in a friendly atmosphere.

The great leader Comrade Kim Il-song received a gift from the guests. The great leader Comrade Kim Il-song arranged a luncheon for the guests.

Release of Two Sailors Raised

*OW2509122490 Tokyo KYODO in English 1159 GMT
25 Sep 90*

[Text] Pyongyang, Sept. 25 KYODO—A high-powered mission of Japanese legislators and North Korean ruling party officials agreed Tuesday that Japan must apologize and pay compensation for the suffering and hardships caused by its past colonial rule of the Korean peninsula for the improvement of bilateral relations, Japanese sources said.

Meanwhile, a senior official of the Korean Workers Party (KWP) has indicated that Pyongyang will release two Japanese seamen detained since 1983 on espionage charges, a Japanese spokesman said.

The mission comprises lawmakers from the ruling Liberal Democratic Party (LDP) and opposition Japan Socialist Party (JSP), led by former Deputy Prime Minister Shin Kanemaru and JSP Vice Chairman Makoto Tanabe.

Japanese sources said the two sides focused on the apology and compensation issues in their two and half hours of talks Tuesday morning, their first formal session. But the leaders of the Japanese mission, and Kim Yong-sun, the KWP secretary for international affairs, left the details to be discussed when the Japanese delegations meet North Korean leader Kim Il-song on Wednesday, the sources said. Japanese sources said the North Koreans wanted in-depth discussions and a quick answer on the compensation issue but the Japanese side responded that details would have to be worked out between the two governments, the sources said.

The Japanese mission arrived here Monday for a five-day visit.

Kanemaru, one of the most influential members of the LDP, is leading the first visit of top-level ruling party politicians to North Korea. Japan has no diplomatic ties with North Korea, established after the Korean peninsula was divided in 1945 at the end of Japan's 35-year colonial rule.

On the apology issue, Kanemaru told Kim that he plans to hand Kim Il-song a letter from Prime Minister Toshiki Kaifu in his capacity as LDP president apologizing for Japan's colonial rule of the Korean peninsula, when they meet Wednesday. Kaifu is not apologizing as prime minister because Japan regards the mission to Pyongyang as a party-to-party, not government-to-government, contact. Kanemaru, who also took the occasion of a welcoming banquet Monday to apologize for the "intolerable sufferings and hardships" the Korean people suffered because of Japan's colonial rule,

said Japan is responsible for solving the compensation issue whether or not the two nations have diplomatic relations.

He proposed setting up mutual liaison offices to serve as the basis for government-level discussions for early settlement of the compensation issue. His remarks came against the backdrop of Foreign Ministry concerns, expressed last week, that the compensation issue should be dealt with at government-level talks when the two countries discuss the establishment of diplomatic relations.

On a more recent issue that has strained Japan's relations with North Korea, Kanemaru drew a commitment from Kim Yong-sun during a brief, informal meeting Monday that North Korea would settle the release and return of the two Japanese seamen, Hajime Ishii, the spokesman for the LDP delegation, told reporters Tuesday. Kim said any problem can be solved during Kanemaru's stay in Pyongyang concerning the release and return of Isamu Beniko and Yoshio Kuriura, skipper and first mate of the Japanese freighter No. 18 Fujisan Maru, LDP sources said. The two were detained after a North Korean stowed away on their ship as it returned to Japan on an earlier voyage.

Later Tuesday, the members of the Japanese mission toured the Pyongyang subway system and Kim Il-song's birthplace. The Japanese delegation also attended a sports pageant with 50,000 participants at Kim Il-song Stadium in the evening.

Kim Il-song will meet the joint delegation Wednesday before holding separate talks with Kanemaru and Tanabe on setting up liaison offices in each other's countries.

The LDP delegation will hold a second round of talks with the Korean Workers Party on Thursday morning before a joint meeting with all three parties in the afternoon. The JSP group will have a separate meeting with the Koreans after the joint session.

A statement is likely to be issued after the series of talks between the parties, Japanese sources said. The three parties will hold a final joint meeting Friday before the Japanese delegations wind up their visit to Pyongyang.

Kim Pledges Leniency for Sailors

OW2609044390 Tokyo KYODO in English 0426 GMT 26 Sep 90

[Text] Myohyang, North Korea, Sept. 26 KYODO—North Korean leader Kim Il-song on Wednesday pledged a "lenient decision" on the fate of two Japanese seamen detained in North Korea, a move which promises the removal of one of the biggest obstacles to improved relations with Japan.

Japanese sources said the North Korean leader made the commitment in a meeting with high-powered Japanese delegations from the ruling Liberal Democratic Party

(LDP) and opposition Japan Socialist Party (JSP) at the mountain resort of Myohyang about 150 kilometers northeast of Pyongyang.

The two seamen—Isamu Beniko and Yoshio Kuriura—were detained in North Korea in November 1983 on espionage charges after a North Korean stowed away on board their Japan-bound cargo ship during an earlier trip to North Korea.

Kim met Shin Kanemaru, former deputy prime minister and one of the most influential ruling party politicians, and JSP Vice Chairman Makoto Tanabe for one and a half hours at the mountain resort in central North Korea.

Kanemaru, the first top LDP official to meet Kim, handed Kim a letter from Prime Minister Toshiki Kaifu apologizing for Japan's colonial rule of Korea, a gesture which Pyongyang had insisted was a precondition for improved bilateral ties. The two countries currently have no diplomatic relations.

Japanese compensation for its 1910-1945 colonial rule of the Korean peninsula is expected to be another major topic in the meeting, Japanese sources said.

Kanemaru has said Japan is ready to pay compensation to North Korea along the lines of the formula Japan and South Korea used when they normalized ties in 1965. Japan at that time extended 500 million U.S. dollars in economic cooperation by way of compensation.

Japanese sources said Kanemaru's meeting with Kim could lead to the establishment of bilateral liaison offices in addition to the release of the two Japanese seamen.

The Japanese mission, which arrived in Pyongyang on Monday, held its first joint meeting with leaders of the ruling Korean Workers' Party on Tuesday morning, during which they mainly focused on the question of Japan's apology and compensation offer, the sources said.

Sides Agree on 'Friendly' Ties

OW2609054490 Tokyo NHK General Television Network in Japanese 0400 GMT 26 Sep 90

[Text] Kanemaru, former deputy prime minister, and Tanabe, vice chairman of the Japan Socialist Party [JSP], who are now on a visit to North Korea, the DPRK, met with President Kim Il-song, supreme leader of North Korea, this morning. The two are heading a Liberal Democratic Party delegation and a JSP delegation, respectively.

At the talks President Kim Il-song reportedly was understanding and indicated a magnanimous resolution of the No. 18 Fujisan Maru issue was pending. An accord is believed to have been reached on the issue of repatriating its two crewmen now under detention in North Korea.

The talks between Messrs. Kanemaru and Tanabe on one side and President Kim Il-song on the other were held for

approximately one and a half hours at Mt. Myohyang, 150 km from Pyongyang, this morning.

Following the talks, all members of the delegations from the two Japanese parties, including those who did not take part in the top-level talks, paid a courtesy call on President Kim Il-song. At the meeting President Kim said that he highly appraises efforts made by Mr. Kanemaru for improved relations between Japan and North Korea. He expressed hopes for improved Japanese-North Korean relations, saying: I hope we will establish close and intimate relations.

Commenting on the talks, Mr. Kanemaru said that the Japanese side found the top-level talks with President Kim very gratifying. He also said: Our proposals were fully understood and I feel like crying. Meanwhile, Mr. Tanabe, touching on the content of the talks with President Kim Il-song, said that he expresses thanks to the president for his enthusiasm for improved Japanese-North Korean relations and for his magnanimous understanding and generous resolution of our proposals.

An accord was reached on the pending No. 18 Fujisan Maru issue, and it is now believed that significant progress was made with regard to repatriating its two crewmen, including skipper Beniko, who are being detained in North Korea.

At the top-level talks with Messrs. Kanemaru and Tanabe, President Kim Il-song welcomed their visit to North Korea, saying: I am pleased with the arrival of the LDP and JSP delegations by a direct flight. I think that this is a good sign for Japanese-North Korean relations.

In response, Mr. Kanemaru handed over a letter from Prime Minister Kaifu apologizing, in his capacity as LDP president, for the past Japanese colonial rule of Korea and indicated a readiness to comply with reparations, or so-called indemnity, demanded by North Korea. President Kim reportedly accepted the apology and the proposal for reparations. At the top-level talks an agreement also was reached on establishing friendly relations between Japan and North Korea.

Kim Proposes New Air Links

*OW2609103990 Tokyo KYODO in English 0946 GMT
26 Sep 90*

[Text] Myohyangsan, North Korea, Sept. 26 KYODO—North Korean leader Kim Il-Song on Wednesday pledged a "lenient decision" on the fate of two Japanese seamen detained in North Korea and proposed to open bilateral air links as the first step toward better ties between the two countries.

Kim, in a meeting with Japanese politicians at the mountain resort of Myohyangsan in central North Korea, said he hopes the two countries will no longer be "nearby but far-away nations" but become "two nearby countries with close ties."

Former Prime Minister Shin Kanemaru, one of the most influential members of the ruling Liberal Democratic Party (LDP), and Makoto Tanabe, vice chairman of the opposition Japan Socialist Party (JSP), are leading the mission of Japanese politicians. Kanemaru, who met Kim along with Tanabe, expressed satisfaction at the outcome of the meeting, Japanese sources said. "I feel almost as if I want to cry," Kanemaru was quoted as saying when Kim met all 22 members of the LDP and JSP delegations. Kanemaru told his colleagues that it was an "extremely happy meeting for Japan."

Details of the one-and-a-half-hour talks were not immediately released but Tanabe later told reporters that Kim had expressed understanding of Japan's concern over the detention of the two seamen and that North Korea would make a "lenient decision" on the matter. The two seamen—Isamu Beniko and Yoshio Kuriura—were detained in North Korea in November 1983 on espionage charges after a North Korean stowed away on board their Japan-bound cargo ship during an earlier trip to North Korea. Japan regards the release of the two seamen as critical for improving bilateral ties.

Kim Il-song proposed to inaugurate the air links with Japan as the first step toward better ties, noting that the LDP and JSP delegations had flown nonstop from Tokyo to Pyongyang in the first direct flight between the two countries. "Improvement in Korean-Japanese ties begins from the inauguration of an air route," Kim reportedly told the expanded session with all the members of the two delegations.

Kanemaru, the first top LDP official to meet Kim, handed him a letter from Prime Minister Toshiki Kaifu apologizing for Japan's colonial rule of Korea, a gesture which Pyongyang had insisted was a precondition for improved ties. The two countries have no diplomatic relations. Kanemaru has said Japan is ready to pay compensation to North Korea along the lines of the formula Japan and South Korea used when they normalized ties in 1965. Japan extended 500 million dollars in economic cooperation by way of compensation.

Japanese sources said Kanemaru's meeting with Kim could lead to the establishment of bilateral liaison offices in addition to the release of the two Japanese seamen.

All members of the LDP and JSP delegations except Kanemaru returned to Pyongyang following the morning session with Kim. Kanemaru stayed behind for an unscheduled second round of talks with the North Korean leader Thursday morning. The Japanese mission, in Pyongyang since Monday on a five-day visit, plans to have a series of meetings with senior officials of the ruling Korean Workers' Party on Thursday and Friday.

Delegations Visit Mangyongdae

SK2509110690 Pyongyang KCNA in English
1035 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—The delegation of the Liberal Democratic Party of Japan headed by Shin Kanemaru, former deputy prime minister and member of the House of Representatives, and the delegation of the Japan Socialist Party headed by Makoto Tanabe, vice-chairman of the party Central Executive Committee and member of the House of Representatives, on a visit to Korea visited Mangyongdae today.

At the old home of the great leader President Kim Il-song, the visitors saw with keen interest the historical relics preserved in the time-honored house with utmost care, hearing an explanation about his revolutionary history and family.

They posed for a photograph in front of the old home.

They also visited the Mangyongdae school children's palace.

The delegations went round the Pyongyang metro, the Grand People's Study House and the 150,000-seat May Day Stadium.

Delegations View Gymnastic Show

SK2509110490 Pyongyang KCNA in English
1037 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—The visiting delegations of the Liberal Democratic Party and the Socialist Party of Japan saw at the Kim Il-song stadium today the grand mass gymnastic display "singlehearted unity" performed by 50,000 school youth and children in Pyongyang which has been prepared on the occasion of the 45th anniversary of the founding of the glorious Workers' Party of Korea.

Watching it were the members of the LDP delegation headed by Shin Kanemaru, former deputy prime minister and member of the House of Representatives of Japan, and the JSP delegation headed by Makoto Tanabe, vice-chairman of the Central Executive Committee of the party and member of the House of Representatives.

Among the spectators were the suite members of the delegations, government working officials and reporters of press organs of Japan.

The guests were in company with Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to the SPA, and other officials concerned as well as working people in the city.

The mass gymnastic display showed the proud course of history covered by our party and the unshakable will and

heroic spirit of the Korean people to brilliantly accomplish the revolutionary cause of *chuche* through generations and fight perseveringly to make the whole world independent, united with a single heart around the party and the leader.

Chongnyon Chairman Meets Delegation Heads

SK2109220990 Pyongyang KCNA in English
1511 GMT 21 Sep 90

[Text] Tokyo September 20 (KNC-KCNA)—Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), met on Thursday with former Japanese Deputy Prime Minister Shin Kanemaru, head of the delegation of the Liberal Democratic Party (LDP), and vice-chairman of the Central Executive Committee of the Japan Socialist Party (JSP) Makoto Tanabe, head of the delegation of the JSP, who called at the Korean House in Tokyo before leaving for a visit to the Democratic People's Republic of Korea.

Present on the occasion were Pak Chae-no, vice-chairman of the Chongnyon Central Standing Committee, and members of the LDP and JSP delegations.

The talk proceeded in a friendly atmosphere.

N-S Liaison Officials Set Meeting for 5 Oct

SK2509110390 Pyongyang KCNA in English
1042 GMT 25 Sep 90

[Text] Panmunjom September 25 (KCNA)—There was a contact between the chief liaison officials of the North-South High-Level Talks in the South side's portion of Panmunjom today.

They discussed working matters on the second contact between the delegates to the North-South High-Level Talks for the discussion of the question of entry into the United Nations.

An agreement was reached at the contact to hold the second contact between the delegates to the North-South High-Level at the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 10:00 on October 5.

End to South's 'Blocking' Tactics Demanded

SK2509105490 Pyongyang KCNA in English
1007 GMT 25 Sep 90

["'Recognition of Entity' Is Doctrine of Permanent National Division"—KCNA headline]

[Text] Pyongyang September 25 (KCNA)—The South Korean authorities must desist from blocking the reunification movement of the fellow countrymen with (?all) talk about "recognition of entity" and "fixation of the status quo" and set about the dismantlement of the

barrier lying in the way of reunification, says NODONG SINMUN in a by-lined article.

The article reads in part:

The South Korean rulers' argument for "recognition of entity" means that the existence of "two states" on the Korean peninsula should be acknowledged and the North and the South of Korea "should coexist," and their doctrine of "fixation of the status quo" means that the present state of division of the territory and the nation into North and South should be frozen.

In a nutshell, the essence of their much-touted "fixation of the status quo" and "recognition of entity" is that the North and the South should not be reunified but remain divided into "two states" for good, making some exchange and trade with each other.

Although the No Tae-u "regime" has brought forward "reunification proposals," "reunification policy" and the like, their real intention to create "two Koreas" on the pretext of "recognition of entity" and "fixation of the status quo" underlies all of them.

The persistent attempts of the South Korean rulers these days for "simultaneous entry" of the north and the South of Korea into the United Nations or "unilateral entry" of South Korea into the U.N., too, are chiefly aimed at painting South Korea, a colony, as "an independent state", in view of the fact that the countries joining the United Nations are internationally recognized as independent states, and thus creating "two Koreas."

Now they allege that "recognition of entity" and "fixation of the status quo" are "in accord with the interests of the nation" and "in favor of peace" in an effort to create "two Koreas" on that pretext. This is an absolute baloney for justifying their treacherous attempts to keep the nation divided.

Clear is the reason why they resort to the "two Koreas" plot, spinning out a string of balderdash under the aegis of U.S. imperialism.

The U.S. imperialists intend to make "two Koreas" through the fixation of the present state of division and then keep hold on South Korea as a permanent colony of theirs and, with it as a foothold, to execute their aggressive Asia-Pacific strategy. And the South Korean authorities seek to keep the nation divided and leave South Korea at the tender mercy of the U.S. imperialist aggressors and maintain their power under the patronage of the master in return for it. The heinous attempts of the U.S. imperialists and the South Korean rulers, however, can never be realized.

What is required for our nation now is not "recognition of entity" and "fixation of the status quo" of division but to put a period to the history of national division and forcefully pave the road to reunification.

South's Reunification Plan 'Grave Betrayal'

*SK2609101390 Pyongyang KCNA in English
1002 GMT 26 Sep 90*

[Text] Pyongyang September 26 (KCNA)—NODONG SINMUN today carries a signed article entitled "Reunification Must Be Realized on the Principle of Neither Conquering Nor Being Conquered."

The article quotes the great leader Comrade Kim Il-song as saying:

"By nature, the question of national reunification is not a matter of who will conquer whom or who will be conquered, nor is it a question of one side overpowering and winning supremacy over the other; it is the question of achieving unity between the North and the South which make up one nation of the same stock."

The reunification question of our country is not a matter of solving institutional or class contradictions between the North and the South, but a matter of removing distrust and antagonism between them, terminating the artificial division by foreign forces and realizing reunion of the nation.

It should be a national reunification transcending ideologies and systems.

The reunification in our country, therefore, should never be used to meet the subjective desire of one side or for the sake of one side. It must be a common gain of the North and the South achieved on the basis of mutual respect and unity.

On the contrary, however, if both sides contend for victory and vie for superiority, regarding the reunification question as a matter of who will conquer whom or who will be conquered or as a matter which can be solved by forcing one's thing on the other, absolutizing it, it will inevitably lead our country to confrontation and division based on ideology and system, not unity and reunification based on the national ideal, and the Korean peninsula will subsequently remain a ground for a showdown of ideologies and systems.

The North and the South should neither have a subjective view that one side can force its idea and system on the other, insisting on them, nor commit imitationism, that is, mechanically applying foreign experience to our country, but should strictly proceed from the reality of our country in the solution of the reunification question.

It is our consistent stand to reunite the divided nation by reunifying the country by means of founding a confederal state with one nomenclature, leaving the different ideologies and systems in the North and the South as they are.

The proposal for founding the democratic confederal republic of Koryo is the most realistic and reasonable reunification proposal which makes it possible to solve the question of national reunification peacefully, on fair and aboveboard principles, without the North and the

South conquering each other or being conquered and one side overpowering the other or being overpowered.

The South Korean authorities are not yet awakened from the daydream of "anti-communist unification," dreaming of an "institutional unification." This is a mockery of the entire Korean people in the North and the South who aspire after the reunification and a grave betrayal of the nation.

They must get rid of the bad habit of playing tricks over the question of reunification on which depends the destiny of the nation and honestly approach dialogue with a sincere stand and attitude toward reunification.

South's Imprisonment of Mun Ik-hwan Under Fire

*SK2309085790 Pyongyang KCNA in English
0844 GMT 23 Sep 90*

["Inhumane Act Against Rev. Mun Ik-hwan"—KCNA headline]

[Text] Pyongyang September 23 (KCNA)—The South Korean authorities brought the Rev. Mun Ik-hwan back to prison after his temporary release for the funeral of his mother. This is under fire in papers here today.

Commenting on this, a news analyst of NODONG SINMUN says:

This is an inhumane act of crime bereft of elementary conscience, morality and sense of justice which can be committed only by the South Korean rulers.

Such act of South Korean authorities against the Rev. Mun Ik-hwan who had visited the northern half of the country, the dialogue partner, is immediately a hostile act against us. Eventually, this reveals that they have no intention to resolve the reunification issue through dialogue and negotiation with us.

The behaviour of the South side which continues hostile acts against the dialogue partner while having dialogue with smiles throws a gloomy shadow over the prospect of the North-South dialogue.

The act of the South Korean authorities in taking the Rev. Mun Ik-hwan back to prison is a very unjustifiable act either in view of humanitarianism or the settlement of reunification question and it can never be pardoned.

If the South Korean authorities have the least intention to truly resolve the reunification question through dialogue and negotiation, they must promptly release the Rev. Mun Ik-hwan and unconditionally set free woman student Yim Su-kyong and Father Mun Kyu-hyon and other persons who visited the North.

A signed commentary of MINJU CHOSON recalls that the South Korean chief executive, when our side requested him to release the Rev. Mun Ik-hwan, student Yim Su-kyong, Father Mun Kyu-hyon and other visitors of the North, told it to leave the solution of that matter

to him and the South Korean authorities confined the Rev. Mun Ik-hwan again, going back on their words. This can never be justified, the paper stressed.

AIDS Problem in South Korea Highlighted

*SK2409220390 Pyongyang KCNA in English
1512 GMT 24 Sep 90*

[Text] Pyongyang September 24 (KCNA)—The South Korean paper TONG-A ILBO demanded that the authorities take thoroughgoing anti-AIDS measures.

Noting that this fatal disease is rife in South Korea, the paper said:

The "health and social welfare ministry" understates the number of those infected with AIDS. In actuality, an estimated 5 to 10 times of it are left unidentified.

Many AIDS virus carriers have been found among the foreigners staying long in South Korea and employees of special cabarets for U.S. soldiers and foreigners. But, there is no treatment and preventive measure nor AIDS tests among them.

The paper predicted that the AIDS cases would increase due to "the indifference of the authorities" who do not take preventive measures against this contagious disease.

South's Planned Defense Increase Criticized

*SK2209101090 Pyongyang KCNA in English
1006 GMT 22 Sep 90*

[Text] Pyongyang September 22 (KCNA)—The South Korean authorities set the scale of the "government budget" for next year at 27,182,500 million won, or 19.8 percent above this year's figure, according to a report.

The "defence appropriations" jumped 12.9 percent above this year's.

This reveals their intention to squander a colossal amount of fund of the "government budget" for military expenditure for war preparations.

In order to cover the expenditure the puppet clique plans to intensify the extortion of people. They have decided to raise the per capita tax from 730,000 won this year to 810,000 won next year.

Blocking of N-S Student Contact Denounced

*SK2609105690 Pyongyang KCNA in English
1045 GMT 26 Sep 90*

[Text] Pyongyang September 26 (KCNA)—The South Korean authorities recently had the impertinence to obstruct the delivery of a letter concerning working-level talks between students of the North and the South and even block delegates of South Korean students from coming to Panmunjom. This is an act spoiling the atmosphere of inter-Korean high-level talks that begun some time ago.

A spokesman for the Korean Students Committee said this in a statement dated on September 26.

The South Korean authorities not only barred South Korean students from receiving a letter from the Korean Students Committee to the general student councils of Yonsei and Koryo Universities but also blocked at the point of the bayonet the South Korean student delegates from travelling to Panmunjom for a meeting with their counterparts of the North, making it impossible to have North-South students' working-level talks due on September 25, the statement says, and continues:

There is no change in our stand to have working-level talks at Panmunjom with the delegates of the general student councils of Yonsei and Koryo Universities.

With days still remaining until the opening of the "Yonsei-Koryo national liberation festival", we are ready to accept the date of talks proposed by the general student councils of the two universities any time and go to the working-level talks between students of the North and the South at Panmunjom.

The South Korean authorities must refrain from creating obstacles to the efforts of the students of the two parts to arrange a Panmunjom contact and regarding their patriotic proposal as heretical and must show a cooperative attitude towards it.

Foreign Parties Support N-S Reunification

*SK2609050190 Pyongyang KCNA in English
0444 GMT 26 Sep 90*

[Text] Pyongyang September 26 (KCNA)—A joint statement supporting the Korean people's cause of reunification was published on September 16 by the delegates of Communist Parties of Martinique, Lebanon, Spain, Brazil, Portugal, Guadeloupe, Dominica, Paraguay, Tunisia, Belgium, Peru, South Africa, Britain, Uruguay, Haiti, Chile and Greece, the Catalonia Communist Party of Spain, the Britannic Communist Party, the Workers' Party of Ethiopia, the National Democratic Front of the Philippines, the Palestine Liberation Organization, the Lao People's Revolutionary Party, the Workers' Party of Ireland, the Polisario Front of Sahara, the South West Africa People's Organisation, the Salvadoran Farabundo Marti National Liberation Front and the Sandinist National Liberation Front of Nicaragua who had participated in the festival of l'humanite, the organ of the Communist Party of France.

The statement said:

We, considering it urgent and important for the North and the South of Korea to jointly proceed into the international arena, cooperate with each other and create a favourable atmosphere for reunification dialogue, regard it as the most reasonable and realistic to reunify Korea by founding a confederal system on the basis of the three principles of national reunification— independence, peaceful reunification and great national

unity—jointly confirmed by the North and the South on July 4, 1972 and confirmed by the international community, since different ideas and systems exist in the North and the South of Korea.

We acknowledge the proposal to found a democratic confederal republic of Koryo [DCRK] clarified by President Kim Il-song of the Democratic People's Republic of Korea as a most realistic and aboveboard proposal reflecting the characteristic realities of Korea whose North and South have different ideas and systems and representing the three principles of national reunification.

We demand that the South Korean authorities affirmatively respond to the DPRK which proposed the North and the South should enter the United Nations as one member, and release at once coed Yim Su-kyong, Father Mun Kyu-hyon, Rev. Mun Ik-hwan and all other patriotic and democratic figures whom they arrested incriminating their efforts for national reconciliation and reunification.

We also hold that all the legal and institutional obstacles to reunification including the notorious "National Security Law" prohibiting all contacts with the North should be removed.

We appeal to the international community to fully support the Korean people in the efforts to realize the peaceful reunification of the country according to the DCRK founding proposal and denounce and frustrate any attempt for a permanent division of Korea this significant year marking the lapse of ten years since President Kim Il-song of the Democratic People's Republic of Korea advanced that proposal.

Egyptian Official Supports Reunification Plan

*SK2509054190 Pyongyang KCNA in English
0537 GMT 25 Sep 90*

[Text] Pyongyang September 25 (KCNA)—Ahmad 'Isamat Abd-al-Majid, deputy prime minister and foreign minister of Egypt, said the new five-point policy of national reunification laid down by President Kim Il-song is an important measure in easing the tension on the Korean peninsula and creating a peaceful climate favorable for Korea's reunification in view of its principles and foundation.

In a solidarity letter addressed to vice-premier and Foreign Minister Kim Yong-nam, he said Egypt was willing to contribute to the implementation of the five-point policy, noting that this policy is obviously composed of positive articles and is a constructive proposal deserving deep attention.

Egypt has supported the efforts for Korea's reunification and will stand behind all the proposals for reunification, the Egyptian minister said.

The friendly Korea visit of President Mubarak and his meeting with President Kim Il-song at that time opened

a new prospect for the relations of friendship and cooperation between the two countries in different fields, he stressed.

Assistant Secretary of State's Testimony Mocked

*SK2409060390 Pyongyang KCNA in English
0549 GMT 24 Sep 90*

[Text] Pyongyang September 24 (KCNA)—Solomon, assistant secretary of state for East Asia and Pacific affairs, told a recent House subcommittee interpellation session that the North's military strength in Korea has been reinforced, resulting in the maximization of the "threat from the North." Commenting on this, a news analyst of NODONG SINMUN today says:

The outcry over "threat from the North" raised by the U.S. imperialists is far noisier than the clamor about "threat from the East" kicked up by the Hitler fascist clique.

The U.S. authorities are trying to conceal their true color as aggressors and warmaniacs, if only a little, by vociferating about "threat from the North".

We have consistently striven for arms reduction on the Korean peninsula and have no intention to threaten anybody.

In raising a hue and cry over the North's "threat", the U.S. imperialists seek to maintain their troops and nuclear weapons in South Korea, keep hold on South Korea as the foremost base for nuclear attack at our Republic and other socialist countries and start a nuclear war on the Korean peninsula at any cost.

The United States is now absorbed in the "two Koreas" plot, calling for South Korea's "unilateral entry" into the United Nations, with the goal of perpetuating Korean division and prolonging its occupation of South Korea indefinitely.

The United States, instead of trying to justify its occupation of South Korea with an anti-DPRK smear campaign, must pull its forces and nuclear weapons out of South Korea at an early date and withdraw their hands of aggression and intervention from Korea.

Yi Chong-ok Attends Asian Games Banquet

*SK2209044990 Pyongyang KCNA in English
0411 GMT 22 Sep 90*

[Text] Beijing September 21 (KCNA)—The organising committee of the Beijing Asian Games, the State Physical Culture and Sports Commission of the People's Republic of China and the Beijing municipal people's government arranged a banquet Friday evening on the opening of the 11th Asian Games.

Invited to the banquet were Yi Chong-ok, vice-president of the Democratic People's Republic of Korea, and other

leaders of various countries and regions who came to the 11th Asian Games as guests of honor, and public figures and sports officials.

Also present on invitation were Juan Antonio Samaranch, president of the International Olympic Committee, members of the council of the committee, members of the leading organ of the Olympic Council of Asia, members of the sports team of the DPRK as well as members of the sports teams and delegations of different countries and regions that are to participate in the games and international conferences to be held during the games.

Present there were Yi Peng, premier of the State Council of the PRC, Wan Li, honorary chairman of the organising committee of the 11th Asian Games, Li Ruihuan, member of the standing committee of the Political Bureau of the Central Committee of the Communist Party of China, the members of the organising committee of the games, members of the State Physical Culture and Sports Commission and senior officials of the Beijing municipal people's government.

Speeches were made at the banquet.

The banquet proceeded in a friendly atmosphere.

Yi Meets Jiang Zemin in Beijing

*SK2409062990 Pyongyang KCNA in English
0527 GMT 24 Sep 90*

[Text] Beijing September 23 (KCNA)—China and Korea are friendly neighbours inter-linked by the same mountains and rivers and the friendly relations between the two peoples have been forged by blood, said Jiang Zemin, general secretary of the C.C., [Central Committee] the Communist Party of China, on September 23 when he met vice-president of the DPRK Yi Chong-ok, who had participated in the functions of the 11th Asian Games, in Zhongnanhai, Beijing.

Expressing the conviction of the victory of socialism, Jiang stressed that socialism will surely win the final victory in Korea and China with a population of 1.1 billion and other nations adhering to socialism.

Peng Chong Hosts Yi in Beijing

*SK2509014990 Pyongyang Domestic Service
in Korean 2300 GMT 23 Sep 90*

[Text] Comrade Peng Chong, vice chairman of the Presidium of the Chinese National People's Congress, arranged a banquet in Beijing on 23 September for Comrade Yi Chong-ok, vice president of the DPRK, and his entourage participating in the events of the 11th Asian Games.

Participating in it were Qi Huaiyuan, vice foreign minister of China; and (Che Ninglin) member of the 11th Asian Games Organizing Committee. Chu Chang-chun, DPRK ambassador to China was invited. The banquet proceeded in a friendly atmosphere.

Yi, Party Return From Asiad

*SK250914290 Pyongyang KCNA in English
1043 GMT 25 Sep 90*

[Text] Pyongyang September 25 (KCNA)—Vice-President Yi Chong-ok of the DPRK and his party returned home today after participating in the functions of the 11th Asian Games at the invitation of the Government of the People's Republic of China.

They were met at the airport by Vice-President Pak Song-chol and Vice-Minister of Foreign Affairs Cha Pong-chu and Chinese Ambassador to Korea Zheng Yi.

Kim Il-song Sends Condolences to PRC Leaders

*SK2209150890 Pyongyang KCNA in English
1504 GMT 22 Sep 90*

[Text] Pyongyang September 22 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and President of the Democratic People's Republic of Korea, today sent a message of condolence to Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, and Yang Shangkun, president of the People's Republic of China, upon the death of Xu Xiangqian.

The message says:

Upon hearing the news that Comrade Xu Xiangqian who was a veteran communist revolutionary of China and one of the founders of the Chinese People's Liberation Army, died of illness, to our sorrow, I, in the name of the Central Committee of the WPK, the government of the DPRK and the Korean people and on my own name, express deep condolences to you and, through you, to the Central Committee of the CPC, the government of the People's Republic of China, the Central Military Commission of the CPC and the bereaved family of the deceased.

Comrade Xu Xiangqian who had participated in the Chinese people's revolution in his early days devotedly struggled at responsible posts of the party and the army and made a great contribution to the work for the building of a new socialist China and the strengthening and development of the people's liberation army.

Though Comrade Xu Xiangqian passed away, the feats he performed for the Chinese revolution will remain long.

Armed Forces Send Condolences

*SK2509022990 Pyongyang Domestic Service
in Korean 2300 GMT 22 Sep 90*

[Text] DPRK Ministry of People's Armed Forces has sent the following message of condolences to the PRC Ministry of National Defense in connection with the passing away of Comrade Xu Xiangqian.

Beijing, to the Ministry of National Defense of the PRC:

Upon receipt of the sad news that Comrade Xu Xiangqian has passed away because of illness, the Ministry of People's Armed Forces of the DPRK expresses deep condolences to the Ministry of National Defense of the PRC and, through your Ministry of National Defense, to the bereaved family of the deceased.

Comrade Xu Xiangqian was an excellent military and political activist of the Chinese people who devoted all his life to the victory of the Chinese revolution and the strengthening and developing of the Chinese People's Liberation Army.

Although Comrade Xu Xiangqian has passed away, the noble achievements he made will remain forever.

The Ministry of People's Armed Forces of the DPRK, 22 September 1990, Pyongyang.

Imperialist Moves Against Socialism Denounced

*SK2109103190 Pyongyang KCNA in English
1013 GMT 21 Sep 90*

["Reactionary Nature of Imperialists' 'Democracy' Ballad"—KCNA headline]

[Text] Pyongyang September 21 (KCNA)—NODONG SINMUN today comes out with a by-lined article titled "Reactionary Nature of Imperialists' 'Democracy' Ballad", which says:

The imperialists are now talking ever louder than before about "democracy", disguising themselves as "incarnation of democracy". The reactionary nature of their "democracy" ballad lies, in a word, in that it is intended to degenerate socialism and turn it back to capitalism.

Motivated by this criminal design, the imperialists are openly trying to force bourgeois liberalization upon socialist countries.

"Pluralism" is the slogan set out by the imperialists at present in their anti-socialist moves under the motto of "freedom" and "democracy". It is a reactionary doctrine for disintegrating and degenerating socialism. It is aimed at reviving and implanting the counterrevolutionary elements, giving them unlimited freedom and rights of anti-socialist activities and allowing the imperialist ideological and cultural infiltration in socialist society under the cloak of "freedom of individuality" and "respect" for everyone's view and opinion.

The imperialists are trying to get rid of the working-class parties and their leadership and obliterate the working-class nature of socialist politics in socialist countries by means of introducing "political pluralism" in those countries. Through this, they are also attempting to make a hodge-podge of anti-socialist political parties and organizations raise their head, mislead public opinion, turn the socialist power organs into a club so as to create national discord and distrust, scramble for hegemony, anarchy and social disorder and, further, let those political parties and organizations take the helm of the state.

"Economic liberalization" that the imperialists are openly forcing upon socialist countries is, in essence, designed to pave the way for "peaceful transition" of socialism to capitalism. "Economic liberalization" means the restoration of the private ownership of capitalism and market economy. As for "material thriving" of the developed capitalist countries advertised by the imperialists, it has been achieved through harsh exploitation of the working people and unlimited colonial plunder of other countries.

By openly forcing "political pluralism" and "economic liberalization" on socialist countries the imperialists mean, in the final analysis, to make the socialist countries give up the socialist principles and introduce the capitalist methods.

The "human rights" trumpeting is part of the anti-socialist moves committed by the U.S.-led imperialists under the slogan of "Democracy". They, under the guise of "human rights champion", are embellishing the capitalist society where social inequality and violation of human rights have been carried into extremes and launching an anti-socialist offensive.

The "suppression of human rights" in the socialist countries over which the imperialists are raising such outcries is nothing but a pretext for their interference in the internal affairs of these countries.

The "democracy" ballad of the imperialists is an anti-historical act for weakening the driving force of the revolution, blocking the development of socialism and turning back the trend of history. It is also a desperate scheme to extricate themselves from their position in which their destruction is being precipitated.

Socialism may face unexpected hardships and temporary turns and twists in covering an untrodden path. But it is an inexorable law of the developing history that socialism incomparably superior to capitalism will emerge victorious.

Meeting in Pyongyang Marks Nigerian Independence

*SK2509062190 Pyongyang KCNA in English
0601 GMT 25 Sep 90*

[Text] Pyongyang September 25 (KCNA)—A meeting was held here Monday on the occasion of the 30th anniversary of the independence of Nigeria.

Speaking at the meeting, Song Chae-song, first vice-minister of higher education and chairman of the Korea-Nigeria Friendship Association, said that 30 years ago the Nigerian people achieved national independence through a protracted, valiant struggle. This is signal event that occasioned a turn in the life of the Nigerian people, he added.

Noting that since the independence, the Nigerian people have made great achievements in the struggle for national unity and economic construction under the

slogan "Economic redressment, social justice and self-reliance", the speaker said: We wish the Nigerian people greater success in their efforts for the building of a new life under the leadership of His Excellency President Ibrahim B. Babangida.

The Korean people highly estimate the efforts of the government of the Federal Republic and people of Nigeria against the apartheid in South Africa and for the complete liberation of the African continent and express full support and firm solidarity for them, he said, and continued:

Our people will, as in the past, so in the future, too, make every possible effort together with the Nigerian people for world peace and security in accordance with the idea of independence, peace and friendship.

Speaking next, Nigerian Ambassador Salau Adeku Lawal reviewed the achievements made by the Nigerian people in socio-economic fields after the independence.

Referring to the friendly relations between the two countries, he said the Democratic People's Republic of Korea and the Federal Republic of Nigeria [FRN] have established particular relations.

Pointing out that the DPRK, the homeland of *chuche*, is well known worldwide, he stressed the Korean people have performed shining feats in socialist construction by implementing the line of the three revolutions, ideological, technical and cultural, under the wise leadership of His Excellency President Kim Il-song.

Expressing support for the Korean people's cause of national reunification, he said the Nigerian Government supports all the peace proposals including the five-point policy of national reunification advanced by President Kim Il-song.

He expressed the belief that the friendly and cooperative relations between the DPRK and the FRN will steadily strengthen and develop.

A congratulatory letter to the Nigerian president was adopted at the meeting.

Kim Il-song Receives Guinean Ambassador

*SK2109111690 Pyongyang KCNA in English
1024 GMT 21 Sep 90*

[Text] Pyongyang September 21 (KCNA)—The great leader President Kim Il-song today received credentials from Abou Camara, new ambassador extraordinary and plenipotentiary of the Republic of Guinea to Korea.

Vice-Premier and Foreign Minister Kim Yong-nam and a Guinean Embassy official were on hand at the presentation ceremony.

President Kim Il-song had a conversation with the ambassador after receiving the credentials.

Economic Delegation Departs for Libya*SK2209102690 Pyongyang KCNA in English
1020 GMT 22 Sep 90*

[Text] Pyongyang September 22 (KCNA)—A DPRK Government economic delegation led by Vice-Premier Kim Tal-hyon left here today for Libya.

The delegation was seen off at the airport by Minister of External Economic Affairs Chong Song-nam, Vice-Minister of Foreign Trade Han Su-kil and diplomatic representatives of Libya, Bulgaria and the Soviet Union in Pyongyang.

Iranian Foreign Ministry Delegation Arrives*SK2509112390 Pyongyang KCNA in English
1045 GMT 25 Sep 90*

[Text] Pyongyang September 25 (KCNA)—A Foreign Ministry delegation of Iran headed by its Deputy-Minister 'Ala'eddin Borujerdi arrived here today.

It was met at the airport by Vice-Minister of Foreign Affairs Cho Kyu-il and Iranian Ambassador to Korea Hasan Dabir.

Kim Il-song Sends Greeting to Yemeni Leader*SK2509111890 Pyongyang KCNA in English
1030 GMT 25 Sep 90*

[Text] Pyongyang September 25 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to 'Ali 'Abdallah Salih, president of the Presidential Council of the Republic of Yemen, on the occasion of the 28th anniversary of the victory of the September 26 revolution in Yemen.

The message sincerely wishes the president and the Yemeni people greater success in their work for consolidating unity, building a powerful national economy and achieving the country's prosperity.

The message expresses the belief that the friendly and cooperative relations between the two countries will grow stronger and develop in accordance with the idea of independence, peace and friendship.

Masses Must Be Raised to Intelligentsia's Level*SK2409062390 Pyongyang KCNA in English
0529 GMT 24 Sep 90*

["Assimilation of Whole Society To Intelligentsia Is Strategic Task To Promote Building of Socialism and Communism"—KCNA headline]

[Text] Pyongyang September 24 (KCNA)—NODONG SINMUN Sunday carried a signed article entitled "Assimilation of Whole Society to Intelligentsia Is Strategic Task To Promote Building of Socialism and Communism."

The article quotes the great leader Comrade Kim Il-song as saying:

"Assimilating the whole society to the intelligentsia is an important strategic task for developing all the members of society into people of a communist type who have a high level of creative ability, and for successfully speeding up the building of socialism and communism on the strength of science and technology."

The article continues:

Assimilating the whole society to the intelligentsia is an important strategic task for speeding up the building of socialism and communism, first of all, because it makes it possible to develop all the members of society into people of a communist type who have a high level of creative ability. It largely depends on their creative ability, how actively the people play their role as the masters of the revolution and construction and their own destiny and how much thing they do for the party and the revolution, the fatherland and the people.

Assimilating the whole society to the intelligentsia is the most active and effective way of increasing the creative ability of people.

Assimilating the whole society to the intelligentsia means raising the level of knowledge of the working people, all members of society to the level of intelligentsia, the level of university graduates, by tapping all conditions and possibilities to the maximum. When this work is promoted effectively, the universal level of cultural knowledge of society will be markedly enhanced and all people will become versatile people of a communist type with a rich knowledge of nature and society.

Another reason why assimilating the whole society to the intelligentsia is an important strategic task for speeding up the building of socialism and communism is that it makes it possible to step up socialist construction on the basis of the strength of science and technology.

The important issue of the development of science and technology in socialist construction is unthinkable apart from the work of raising the level of cultural knowledge of all members of society, the work of assimilating the whole society to the intelligentsia. Only by raising the level of cultural knowledge of all members of society to the level of university graduates through the promotion of the assimilation of the whole society to the intelligentsia is it possible to enable them to contribute to the development of science and technology as masters and make a great change in the introduction of the achievements of science and technology in production and construction and in the development of the new spheres of science and technology.

It is an immovable truth proved by the revolutionary practice that as the popular masses actively participate in the fulfilment of the technical revolution and the level of cultural knowledge of all members of society is raised, the universal science and technology of the country

develops rapidly and great success is achieved in the work of laying a solid material and technical foundation of socialism.

The validity and vitality of the respected leader Comrade Kim Il-song's idea and theory that assimilating the whole society to the intelligentsia is a strategic task for speeding up the building of socialism and communism have been fully proved through our revolutionary practice.

'Bumper Crop' Rice Harvest in Progress

SK2509103490 *Pyongyang KCNA in English*
0959 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—Rice harvesting has begun at rural communities of Korea.

The agricultural working people, having brought a bumper crop despite an unfavorable weather this year, are reaping rice from thousands of hectares every day.

Rice had been harvested in 40,000 hectares as of September 24 throughout the country.

Rice harvesting has been carried out in some 1,000 hectares at the Anak, Chaenyong and Sinchon Counties and other rural areas of South Hwanghae Province.

An average per-hectare yield of more than eight tons of grain is foreseen on many co-op farms in the province.

The rural communities in South and North Pyongan Provinces overfulfil the daily assignments 20 percent by concentrating all efforts on harvesting.

Kim Chong-il 1987 Article on Socialism Praised

SK2509110290 *Pyongyang KCNA in English*
1020 GMT 25 Sep 90

[Text] Pyongyang September 25 (KCNA)—NODONG SINMUN today dedicates a signed article to the third anniversary of the publication of "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle," a work of dear Comrade Kim Chong-il (September 25, 1987).

It is a monumental work which gives a deep-going analysis of the true features of contemporary imperialism and its fate, proves scientifically the inevitability of the victory of the cause of socialism and gives profound answers to the questions of principle for its accomplishment.

The article quotes dear Comrade Kim Chong-il as saying:

"It is an indisputable fact that the end of contemporary imperialism is nigh, and it is historically inevitable that imperialism will perish and socialism triumph."

To begin with, the work sheds revealing light on the true features of contemporary imperialism and gives a comprehensive analysis and profound exposition of the inevitability of its downfall.

The real features of contemporary imperialism are that the contradictions of capitalism have been exacerbated still further and imperialism finds itself in all the more serious trouble.

The work points out that although the imperialists are making a bluff, resorting to crafty moves, they are landing themselves in a hopeless crisis with each passing day. This is the true features of contemporary imperialism.

Stressing that in order to free itself from the daily aggravating, catastrophic crisis, the imperialists are now wielding a nuclear weapon in one hand and a purse in the other, the work says this is a revelation of the vulnerability of imperialism and shows that the more vicious and crafty the moves of the imperialists become the nearer the day of collapse of imperialism will draw.

The work expounds that socialist society is a new society which conforms to the independent character of the masses and the requirements of social development, and its victory is inevitable.

It also clarifies that in order to advance along the road of socialism to the end, it is important to enhance the party's leadership role and strengthen the driving force of revolution.

The article stresses:

With a powerful ideological and theoretical weapon of the anti-imperialist struggle, our people have become able to clearly see through the vulnerability of contemporary imperialism and successfully smash the imperialists' anti-socialist moves.

However loudly the imperialists may talk about "crisis of socialism" and "peaceful transition", they can never shake the faith of the Korean people who are building socialism of their own style, firmly upholding the *chuche* idea. That socialism of our style, an embodiment of the *chuche* idea, is superior and our cause of socialism will surely emerge victorious as long as there are the great leader and the leadership of the great party is the unshakable faith of our people.

Meeting Marks Anniversary of Kim Il-song Work

SK2209222990 *Pyongyang KCNA in English*
2152 GMT 22 Sep 90

[Text] Pyongyang September 22 (KCNA)—A meeting was held here today to mark the 25th anniversary of the great leader President Kim Il-song's work "To Give Full Play to the Great Vitality of the Unified and Detailed Planning of the National Economy."

It was attended by Pak Song-chol, Han Song-yong, Hong Song-nam and officials concerned and planning officials of central organs and enterprises in the city.

Choe Yong-nim, alternate member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea, vice-premier of the Administration Council and chairman of the State Planning Commission, made a report at the meeting.

President Kim Il-song propounded the unique theory of a unified and detailed planning of the national economy, making it possible to firmly establish *chuche* and thoroughly ensure the leadership of the party and the leader in the planning of the national economy, the reporter recalled.

Noting that a powerful heavy industry, a solid light industry and socialist rural economy have been built in Korea, he said this is a result of the constant strengthening of the state guidance over the planning of the national economy under the leadership of the party.

Choe Yong-nim stressed the need to improve the planning of the national economy and constantly strengthen the centralistic guidance of the state over the planning, and called for giving full play to the advantages of the planned economy through a thorough implementation of the policy of the unified and detailed planning as required by the *taean* work system under the banner of the *chuche* idea, the banner of socialism.

Article Notes Merits of 'Superior Socialism'

SK2509001490 Pyongyang Domestic Service
in Korean 0007 GMT 19 Sep 90

[NODONG SINMUN 19 September special article: "The Socialism of Our Country Is a Superior Social System That Embodies the Independent Nature of the Popular Masses"]

[Text] Our socialism shines as a peculiar and superior socialism that makes it possible to conceive everything in a man-centered manner and serve man.

Dear Comrade Kim Chong-il has comprehensively elucidated the superiority of our own type of socialism, which is defined on the basis of the *chuche* idea—a man-centered idea—and has expounded the fact that above all, our socialism excellently embodies the independent nature of man. This is a great achievement in newly verifying the superiority and vitality of our country's socialism.

Dear Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: Our socialism excellently embodies the intrinsic demands of man, an independent social being.

A social system is established by embodying the demands and aspirations of social groups. The demands and aspirations of which social group are embodied is a

basic factor that defines the characteristics and superiority of a social system. A fundamental difference between socialist and capitalist systems is that the demands of social groups, which are embodied by each system, differ in terms of quality.

The capitalist system, which reflects the sacrifice-imposing and inhuman demands of a handful of the reactionary exploiting class, is a reactionary exploiting system that deprives the popular masses of genuine freedom and rights as social human beings.

Unlike this, the socialist system, which embodies the intrinsic demands of man as a social being, is a genuine people-minded social system that guarantees the popular masses, which constitute the absolute majority of society, all conditions for enjoying an independent and creative life as the masters of the state and society. The *chuche* idea has clarified for the first time in history that man is a social being with an independent nature, creativity, and consciousness, and has indicated a correct way for pioneering the fate of man in conformity with his intrinsic demands.

Since it excellently embodies the independent and creative demands of man which have been scientifically elucidated by the *chuche* idea, our socialist system is a genuine social system that enables the popular masses to assume the position of the masters of society and to fully play their role.

As delineated by dear Comrade Kim Chong-il, our socialism excellently embodies the intrinsic demands of man as an independent social being. Man is an independent social being with the nature of independence. Man, an independent social being, objects to being constrained by nature and all types of social enslavement, makes everything serve him, and demands to live and develop in an independent manner. Man sets forth his independent demands as goals and works to realize them. Therefore, all social movements are designed to realize the independence of the popular masses. This shows that social development implies the deepening of the struggle for realizing the independence of the popular masses. Herein lies one of the fundamental characteristics of a social movement.

So long as independence and independent demands are the intrinsic demands of the popular masses and the aim of a social movement lies in realizing their independent demands, a social system should be modeled in conformity with the intrinsic demands of man and established so they may be comprehensively and smoothly guaranteed. The problem of thoroughly embodying the intrinsic demands of man as an independent social being has been most brilliantly solved by our country's socialist system embodying the *chuche* idea. Our socialist system most smoothly guarantees the intrinsic demands of social human beings for living and developing with an lasting social and political life as the equal masters of society, for enjoying an affluent spiritual life and developing

spiritually and culturally, and for enjoying a rich material life and living and developing physically in a sound manner.

First of all, the chuche socialist system thoroughly guarantees the realization of man's independent demands for a material life. A material life that conforms to man's independent nature is an equal life in which material wealth is created with his creative labor and in which everyone is well off without any gap between the rich and the poor. Therefore, the socialist economic system should be a system in which working conditions needed for human beings and the rights to food, clothing, and shelter are guaranteed. It should be a system in which everyone's living standard is evenly improved through people-minded policies. It should not be a system that gives conditions or where individualism is caused among the people and spontaneous biological laws like the law of the survival of the fittest functions unrestrainedly.

In our country where a socialist system conforming to the intrinsic demands of social human beings has been firmly established, the state and society substantially guarantee everyone rights to food, clothing, shelter, and other necessities. Every worker takes part in creative labor for the society and himself with a stable job according to his abilities, is given a share in proportion to the results of labor, and receives many benefits thanks to the people-minded policy of the state. Our people cannot be said to enjoy the most affluent life, but they do not suffer from any anxiety about their livelihood. All people, including workers, peasants, office workers, and residents in the urban and rural areas, equally enjoy a happy life.

The socialist system that has embodied the independent demands for man's material life objects both to such an inhuman life as exploiting others and to such a corrupt life as living as the slave of material greed, thus guaranteeing the people the most stable, sound, and equal, and happy life. The chuche socialist system firmly guarantees the independent status of the popular masses by excellently embodying the intrinsic demands of social men in political and cultural life.

Man is a social being. The characteristic of man as a social being lies in that he leads a political life and lives with rich spiritual wealth. If man is unaware of politics, is reduced to poverty politically and culturally, and lives just on food, his life is little different from that of animals. The dignity and value of social man are graphically manifested in political and cultural life. Only when he enjoys both valuable political life and a rich cultural life together with an affluent material life can man be said to enjoy a genuine life worthy of human beings. Therefore, a social system can be called a genuine social system when it finely embodies man's independent demands in the political and cultural life along with the material life.

Because it embodies independent man's political, spiritual, and cultural demands and thoroughly guarantees

them, the socialist system becomes a genuine social system that firmly ensures the independent status of the popular masses. By embodying the demands of the popular masses for social and political independence, the socialist system liberates the popular masses from social and political enslavement and guarantees them a genuine political life in which they enjoy true political freedom and rights and make the priceless social and political life shine.

Today our people freely participate in state management and social and political activities as the genuine masters of power; everyone leads a political and organizational life as a member of certain social and political organizations. Through their political life, our people participate as masters in mapping out and executing party and state policies and realize bonds of blood with a social and political organ with the leader at its center. The political life of our people is the most invaluable life of social men with independence as their life, the most priceless and rewarding and incomparable life. This is a natural outcome of our socialist political system that finely embodies the demands of the popular masses for social and political independence.

By finely embodying the independent demands of the popular masses for their political and cultural life, the socialist system of our country makes it possible to realize man's intrinsic demands for constantly developing himself spiritually and physically and for enjoying a rich spiritual and cultural life.

In our country, everyone grows to be a new-type man, who has been developed in multifaceted aspects, studying throughout his life with complete right to the freedom of learning thanks to the benefits of the free compulsory educational system. Also, all people live happily, maintaining good health and enjoying a long life.

Furthermore, our people bring their wisdom and resourcefulness to full bloom in creating and developing socialist culture and art and fully enjoy a rich cultural and emotional life to their hearts' content. All the people live in harmony with lofty moral traits as independent human beings. Also, they have been extricated from all types of social evils and live and struggle with hope and a firm faith in the future. In this way, our socialist system is a social system which excellently embodies the intrinsic demands of man as an independent social being. Therefore, it firmly guarantees the popular masses a genuine independent status.

It is important, in connection with the fact that the socialist system of our country embodies man's independent nature, that our people assume the position of the masters of the state and society and play their role as masters. The popular masses are the main forces of history. Their status and role in society are criteria determining how progressive and superior the society is. The status and role of men in society are guaranteed by

the system of a certain social order regulating them, in other words, by a social system.

Of course, human beings' social status and role depend on their ideological and cultural level and the material conditions of their society. However, what social rights and duties are given to them in accordance with their demands and strength is entirely controlled and guaranteed by a social system. Therefore, the society where a social system guaranteeing the popular masses a higher social status and role has been established is a developed and superior society.

Since our country's socialism is a social system that enables the popular masses to enjoy genuine rights as the masters of society and to fulfill their duties, it becomes the most superior socialism. This clearly confirms that our socialism embodies the independent nature of the popular masses and the demands for developing society.

The intrinsic nature of the popular masses is inseparably linked to our style of socialism, and it constitutes the basis of the firmness, invincible vitality, and attractiveness of our socialism. Because it adopts the *chuche* idea as its ideological and theoretical basis, our socialist system is developing and being perfected in conformity with the independent and creative demands of the popular masses. Also, it makes it possible to further enhance the status and role of the popular masses as the masters of society under whatever conditions and circumstances.

We should firmly arm ourselves with the idea and theory on the superiority of our *chuche*-oriented socialism and its basic sources, which have been elucidated by dear Comrade Kim Chong-il, and make our socialist system more brilliant.

South Korea

Choe Ho-chung Interviewed on UN Membership

OW2509031890 Tokyo KYODO in English 0239 GMT
25 Sep 90

[Text] New York, Sept. 24 KYODO—South Korea will continue to seek the early granting of sole United Nations membership, Foreign Minister Choe Ho-chung said here Monday.

In an interview with KYODO News Service in New York, Choe said South Korea may apply for unilateral entry into the U.N. if China and the Soviet Union indicate they will not use their veto against it.

North Korea has proposed joint U.N. membership for the two Koreas, in which they would alternately hold the same seat until their eventual unification. North Korean Prime Minister Yon Hyong-muk and his South Korean counterpart Kang Yong-hun agreed to continue negotiations on the U.N. membership issue during their historic meeting in Seoul on September 5 and 6.

In Monday's interview, Choe did not specify the timing of the application, but sources in the South Korean observer mission to the U.N. have said negotiations between Seoul and Pyongyang do not necessarily preclude an application by Seoul.

The South Korean foreign minister said he expects a positive outcome from his talks with Soviet Foreign Minister Eduard Shevardnadze scheduled on Sunday in New York.

Choe said he was given instructions by President No Tae-u immediately before his departure for the United States, though he does not have any letter from No to Soviet President Mikhail Gorbachev.

Germany Supports South's Plan

SK2609013190 Seoul THE KOREA TIMES in English
26 Sep 90 p 2

[Text] Diplomatic relations between East Germany and North Korea will come to an end after German unification on Oct. 3 but united Germany will maintain a liaison office in an embassy of a third country in Pyongyang instead of the current East German mission, the West German foreign minister has said.

Hans-Dietrich Genscher was also quoted by a senior South Korean official as telling Foreign Minister Choe Ho-chung that Germany would support Seoul's position to enter the United Nations in accordance with a UN principle of universality.

The Genscher-Choe talks were held at the UN Monday.

Assemblymen Want Issue Shelved

SK2609011390 Seoul THE KOREA TIMES in English
26 Sep 90 p 1

[Text] South Korea may not apply for membership into the United Nations this year in order to create a favorable climate for the inter-Korean dialogue.

Vice Foreign Minister Yu Chong-ha indicated the government position during a luncheon meeting with lawmakers of the ruling Democratic Liberal Party [DLP] who belong to the Foreign Affairs Committee of the National Assembly yesterday.

DLP Assemblymen called upon the government to shelve the plan to apply for a unilateral entry into the world body at a time when inter-Korean talks showed signs of improving in recent months, according to Rep. Chong Chae-mun, vice chairman of the Assembly panel.

North Korea has insisted on a joint entry by both Koreas, sharing the single seat alternately. The topic was high in the agenda for the first prime ministers' talks held in Seoul on Sept. 4-7. The second premiers' meeting is scheduled to be held in Pyongyang on Oct. 16.

The DLP lawmakers also called for the government to cut its share of military expenditure for the support of U.S.-led multinational forces against Iraq.

N-S Agree 'in Principle' on Rowing Exchange

SK2609102290 Seoul YONHAP in English 0748 GMT
26 Sep 90

[Text] Beijing, Sept. 26 (YONHAP)—South and North Korea's first sports exchange could be rowing, if the two sides can follow up on an oral agreement reached over lunch in a Beijing hotel Tuesday.

Yu Chi-su, vice president of the South Korean Rowing Association, and Kim In-nam, director-general of North Korea's Sports Guidance Committee, agreed "in principle" to hold friendly rowing races in Seoul or Pyongyang in October.

They were both attending a general meeting of the Asian Rowing Federation.

Details such as the date will be decided later in consultations, but the events will probably be single, double and quadruple sculls, Yu said.

Kang Tok-chun, vice chairman of North Korea's Sports Guidance Committee, was also at the lunch and expressed his support for the agreement, a South Korean source said.

Appeal of Dissidents Who Visited North Denied

SK2509091790 Seoul YONHAP in English 0824 GMT
25 Sep 90

[Text] Seoul, Sept. 25 (OANA-YONHAP)—The Supreme Court upheld the convictions Tuesday of radical student Yim Su-kyong and the Rev. Mun Kyu-hyun, jailed under the National Security Law for visiting North Korea without government permission. The two are serving five-year prison terms and have had their civil rights suspended for the same period.

"Yim's visit to North Korea is acknowledged to have been made possible by the directions and orders of the North. Conviction by the appellate court is thus just and right," the highest court said in ending the appeals process.

The defendants' claim that their visit, even though illegal, brought some fruitful result in their bid for inter-Korean reunification is groundless and can't be a reason to appeal to the Supreme Court, it said. "This is, in general, a case of encouraging, sympathizing with and praising the anti-state organization (North Korea) and is to be prosecuted under the current national security act," the court said.

The 23-year-old student entered North Korea in July last year to attend the Pyongyang World Youth and Student Festival and, she said, "to convey the dreams and yearnings of South Korean students for national unification and confirm those of North Korean students." The

Rev. Mun, 41, who made his unauthorized visit to the North at about the same time, crossed back into the South with Yim through the truce village of Panmunjom.

KAL 1987 Bomber Becomes 'Born-Again Christian'

SK2409082490 Seoul YONHAP in English 0737 GMT
24 Sep 90

[Text] Seoul, Sept. 24 (YONHAP)—Kim Hyon-hui, 28, the North Korean agent who blew up a Korean airliner with 115 people aboard in 1987, attended her second church service Sunday evening and declared that she was a born-again Christian.

"This is Kim Hyon-hui who killed 115 innocent lives in December 1987," she told the congregation amid low murmurs. "I believe that I did not die in my suicide attempt because God means to use me for the bereaved families of the KAL bombing, for the separated families and to hasten national reunification."

Kim, who confessed to planting the bomb on orders from North Korean leader Kim Il-song's heir apparent, his son Kim Chong-il, also spoke of her childhood and training as an espionage agent. She said she almost became the daughter-in-law of O Chin-u, the North Korean defense minister.

"I was born again through the people's forgiveness and God's grace," she said.

Medical Team Preparing for Possible Gulf Duty

SK2509004790 Seoul YONHAP in English 0035 GMT
25 Sep 90

[Text] Seoul, Sept. 25 (OANA-YONHAP)—A Defense Ministry medical team is being readied for possible assignment to the Persian Gulf as part of South Korea's non-military aid to the multinational defense efforts.

A ministry official said Tuesday the government had not decided whether to send civilian or military medical personnel, but the ministry is laying plans in case the military is called on. He said sending combat troops to the Gulf is "absolutely impossible" given the situation on the Korean peninsula.

The Foreign Ministry announced Monday that Korea would provide 220 million U.S. dollars in cash, materials and services this year and the next to the U.S.-led forces in the Gulf and to help nations suffering from the sanctions against Iraq.

Another Defense Ministry source said discussions are under way with the Foreign Ministry to decide whether any medical team sent to the Gulf would join the multinational forces or the United Nations and whether it would assume an independent or support role. The source said any medical staff would likely be stationed in Saudi Arabia.

Pak Chol-on Denies Diplomatic Mission in PRC*SK2509003990 Seoul THE KOREA HERALD
in English 25 Sep 90 p 2*

[Article by KOREA HERALD Correspondent Kang Sok-chae] [Text] Pak Chol-on, former state minister for political affairs, in Beijing is being scrutinized by newsmen even though he is officially only a tourist at the Asian Games.

Pak, often described by critics as "Pakssinger" for his central role in shuttle diplomacy with socialist countries, is trying to keep his Beijing trip out of the press, but attracted attention when he was given "exceptional treatment" as soon as he flew into Beijing last week from Seoul by the Beijing authorities. Upon his arrival at Beijing airport, he was escorted by Chinese secret agents to a limousine which reportedly took him to an unknown high Chinese government official for a meeting.

Although Pak disclosed that he has met with North Korean Vice President Yi Chong-ok and a Chinese Politburo member at official functions, speculations here have it that other Chinese government officials have made contacts with Pak and plan to do so during his stay in Beijing.

The true reason for the trip to Beijing by Pak, a key architect of the northern policies of President No, seems to be associated with the proposed normalization of ties between Seoul and Beijing. One major question that arises in connection with Pak's activities in Beijing is whether he carries a personal letter or message from President No Tae-u to the supreme Chinese leaders as was widely speculated before his departure from Seoul.

Pak categorically denied the reports, saying: "My trip has nothing to do with any sort of diplomatic mission or the like" when pressed by reporters at Kimpo International Airport before heading for Beijing. Whatever secret missions he may have in Beijing, however, it is not likely that any visible signs of his shuttle diplomacy will be revealed during his stay here or in the immediate future, diplomatic sources observed.

He admitted over the weekend in Beijing that what he has experienced is the Chinese government's seemingly unshakable ability to separate economic issues from political ones unlike the Soviet Union and East bloc nations with which Korea has already established formal ties or is expected to do so in the near future.

There is no visible sign yet on the part of the Chinese government to improve relations with Seoul diplomatically in the immediate future, though bilateral relations in the economic field have made headway in recent years.

One most probable development after the Asian Games in connection with Seoul-Beijing relations is the possible opening of trade centers in each other's capital which would assume limited consular functions, one observer said.

Cautioning against any hasty approach to Seoul-Beijing relations by the South Korean government, a diplomatic source in Beijing cited Beijing's relations with Taipei which embarrass the Chinese leaders. China must find some rationale to justify recognition of the South Korean government before it normalizes relations with Seoul so that no bad precedent may be established to hamper its efforts to unify China in the long run, he said.

Pak Discusses Trade Exchange*SK2209042390 Seoul YONHAP in English 0214 GMT
22 Sep 90*

[Text] Beijing, Sept. 22 (YONHAP)—South Korea and China are likely to exchange trade offices soon following the Beijing Asian Games, former State Minister for Political Affairs Pak Chol-on said Friday.

Pak, a strong advocate of Seoul's northern policy, said he was making the prediction based on a contact with a Chinese official. "I exchanged views broadly on issues to be discussed later, such as Korea-China and inter-Korean matters, with the Chinese official," said Pak, who declined to reveal the official's name. "So far Seoul insisted on opening a governmental trade office in the other country, while Beijing wanted to have it on a private level. But Beijing now is positively reacting to the idea of exchanging private offices that perform consular functions. Considering this change, their establishment appears to be possible sooner or later," he said.

Pak did not exclude the possibility of meeting North Korean Vice President Yi Chong-ok, the highest-ranking official attending the Beijing Asian Games from Pyongyang. "I can't give an immediate contact on that as I have to take consideration of China. I am going to see how things go," he said when asked if he planned to meet Yi.

Touching on the inter-Korean sports ministers' meeting due just before the opening ceremony of the Asiad, he said, "the main theme of the meeting of the sports leaders, if it is held, will be what flag to use after forming a joint cheering team for South and North Korean athletes."

The North Korean team proposed forming the joint cheering squad when they arrived in Beijing for the Asiad. "Our side is pushing to use national flags, while the North desires to use a joint flag that is different from either of the national flags," he said.

The friendly soccer games between the South and North after the Asian Games are not yet completely set, although agreed on by both sides. "This program too has obstacles to overcome. They are the flag issue as well as the scope of visiting supporters and reporters. The sports ministers' meeting will deal with this too," he said.

The North recently proposed that the two national teams play in Pyongyang within a week of the closure of the Beijing Games and then in Seoul on a date to be set later, which the South accepted in principle.

Pak, a lawmaker of the ruling Democratic Party, is scheduled to stay in Beijing till Oct. 1.

Country's China Policy During Games Criticized

SK2109124790 Seoul TONG-A ILBO in Korean
19 Sep 90 p 2

[Editorial: "Korea-China Reciprocity and Generosity"]

[Text] Even in our eyes, it seems that the government and domestic businesses are giving excessive assistance for the Beijing Asian Games. It is understandable from the government's point of view that improving relations with the Beijing authorities is an important policy, and that businesses are carrying out large-scale public relations activities and sales promotions which are aimed at extending their businesses to the Chinese market. However, it seems that our side is too intent on carrying out this kind of one-sided generosity even though compensation—or guarantee—from the other side is planned.

According to related business circles, great sacrifices have been made to install billboards at Beijing's main stadium and on important streets and to approach organizations. In the process, there has been excessive competition among businesses. As the price for installing billboards, conglomerates had to pay \$15 million and donate 400 automobiles to be used by authorities of the Beijing Games Organizing Committee and VIPs. Other than this, an enormous amount of goods, including electronic products and sports equipment were donated. Also, uniforms for the Games' staff, volunteers, and taxi drivers; and even shoes, pharmaceuticals, and the trash cans around the stadiums were donated indiscriminately, free of charge. Despite of this assistance, it has been learned that in providing conveniences for our staff, athletes, and tourists, the Chinese side is treating them coldly with a very passive and hostile attitude.

It is inevitable for us to show extraordinary interest in the Beijing Games given the fact that this is the first large-scale international event being held in a communist bloc country since the government decided to carry out the northern policy. Nevertheless, this interest manifests itself in an unprecedented plan to donate goods, which appears as excessive generosity resulting in waste and over consumption. We must wake up from the dream that any results can be achieved by pouring in an abundance of goods.

At a time when it is unknown whether this kind of indiscreet sales promotion by excessive advertising can achieve results, a bigger problem of blind competition among companies without knowing the result has begun.

During the Seoul Asian Games our athletes numbered 638 while the number this time exceeds 700, even though the games are being held abroad. It seems we are relying on sheer numbers, but in reality there are reports that the Beijing citizens are showing a cold response to this. Citizens are not showing much curiosity, neither are salespersons at the official stores at the Games. They are

saying that the leaders of the Chinese Government are working excessively to recover their image lost due to last year's Tienanmen incident. In this situation, is there a need for Koreans to make a bigger fuss than the Chinese?

There is a need to make a new promise while participating in the Games. We must not overlook the fact that the principle of reciprocity is being ignored. Our attitude towards China is friendly and active, while China's attitude towards us is cool—only seeking things. There is no need to carry out a one-sided approach toward China, while being humiliated or damaging our national dignity.

We must know that a country like China in reality will not isolate Pyongyang or establish relations with us so as to make Pyongyang feel anxious. If China achieves official diplomatic contacts with us this will be recognizing the concept of "two Koreas" and this will also be hinting that it approves "two Chinas," that is that it recognizes Taiwan. Of course we hope to have reciprocal and friendly relations with Beijing.

We cannot imagine peace or war on the Asian continent without relating them with China. However, with the 21st century at hand, we are evolving as a core power of Asia which no one can ignore. However, China is important to us, Korea-China relations cannot be one-sided and cannot deviate from the principle of reciprocity. From this line we must uphold anew our attitude and must refrain from carrying out the conduct of empty bluffing.

KAL Expects Agreement Opening Flights to China

SK2509054090 Seoul YONHAP in English 0527 GMT
25 Sep 90

[Text] Beijing, Sept. 25 (YONHAP)—The president of Korean Air (KAL) said Tuesday South Korea and China will probably agree to open regular flights between the two countries this year. "Discussions on the establishment of a regular air service between the neighboring nations are making considerable progress due to the Beijing Asiad. In my opinion, one or two flights per week will be possible this year," said KAL President Cho Chung-kon, who is also president of the Korea Table Tennis Association.

KAL has laid on chartered flights between Seoul and Beijing for the Asian Games for athletes and spectators. Along with Asiana Airlines, KAL has tried to open a regular air route between Seoul and Beijing since early this year and China has shown a negative response to the proposal, apparently because of North Korea.

"Korean Airlines will ask the Civil Aviation Administration of China (CAAC) to begin with a service between Seoul and Tianjin, a Chinese city near Beijing, if the Chinese side is still reluctant to open the door to Beijing," a Korean aviation industry source said.

KAL and Asiana are competing fiercely for flights to China, which are expected to be as lucrative as those to destinations in southwest Asia, the source said.

Joint Electronic Factory With Chinese Opens

SK2509011190 Seoul YONHAP in English 0056 GMT 25 Sep 90

[Text] Seoul, Sept. 25 (YONHAP)—A Sino-Korean joint venture started up its production line Monday, turning out Braun tubes for color televisions, a spokesman for the Daewoo Business Group said Tuesday.

Orion Electric Components Co., the first joint venture with a Chinese concern in South Korea, is located in Kumi, an industrial city 195 kilometers southeast of Seoul. Orion Electric Co., a Daewoo subsidiary, owns 80 percent of the company, while Hangzhou television factory and its Hong Kong branch Zhejiang Suheuen Co. have 20 percent, he said.

The plant has a capacity of 1.2 million tubes annually, and 75 million U.S. dollars was put into the joint company.

Soviets To Sign Accord Establishing Relations

SK2609023190 Seoul YONHAP in English 0156 GMT 26 Sep 90

[Text] Seoul, Sept. 26 (OANA-YONHAP)—South Korea and the Soviet Union, moving faster than expected to complete year-long negotiations on normalizing relations, will formally sign a protocol of agreement on establishing diplomatic ties when their foreign ministers meet in New York on Sunday, an informed government official said Wednesday.

The official said the Soviet Foreign Ministry recently informed the Korean consular department in Moscow of its willingness to sign a protocol of agreement in the foreign ministers' talks. The message was conveyed to Kong No-myong, head of the Korean consular department in Moscow, by Genrikh Kireyev, general-director of the Foreign Ministry's Asia Socialist Countries Department, he said. "There is no problem for Korea if Moscow wants to sign the protocol of agreement in the foreign ministers' meeting," said the official, who declined to be identified.

As for the timing of normalizing diplomatic ties, Kireyev was quoted as saying, "We can do it immediately." The Soviet Foreign Ministry's Asian specialist has reportedly been designated the first Soviet ambassador to South Korea. Reports from New York on Monday quoted a high-ranking Korean diplomat as saying the two foreign ministers were expected to only initial the protocol of agreement.

The diplomat was reported as saying Korea and the Soviet Union had already agreed to announce the normalization of bilateral ties after the meeting and all that was left to be decided was when they would sign a

protocol. The official said, "It is illogical for foreign ministers with full power to establish diplomatic ties to just initial the protocol of agreement on setting up ties, because initialing a protocol of agreement is a diplomatic activity that can be carried out by government representatives who do not have the right to agree on diplomatic ties."

In response to the Soviet message, president No Tae-u instructed Foreign Minister Choe Ho-chung to push for signing the protocol of agreement in his meeting with his Soviet Foreign Minister Eduard Shevardnadze when the President met with Choe before his departure for New York to attend the United Nations General Assembly, the official said.

If the two countries sign the protocol, No is expected to visit Moscow late this year for a second summit meeting with Soviet President Mikhail Gorbachev, he said. The Korean Government also wants Gorbachev to visit Seoul before or after his trip to Japan next March or April, he said, adding that discussions are under way on the exchange visits by the two heads of state.

No and Gorbachev had a historic summit in San Francisco on June 4 and agreed in principle to normalize diplomatic ties between the two countries, which have remained adversaries for more than 40 years.

Seoul To Request Apology for 1983 KAL Downing

SK2609024290 Seoul CHUNGANG ILBO in Korean 25 Sep 90 P 1

[Text] It has been learned that the ROK Government will officially bring up the Soviet Union's downing of a Korean Air [KAL] passenger plane in 1983. It will ask the Soviets to make the apology once the two countries have officially agreed on the establishment of diplomatic ties and detailed follow-up procedures for normalizing relations have been finalized.

On 25 September, a high-ranking government official said: "The government will officially bring up the KAL downing incident in due time and will discuss it with the Soviets in response to the strong public domestic opinion that the Soviet Union should apologize for the incident. The government has considered this matter ever since the ROK-Soviet summit which was held in San Francisco last June. As far as I know, this matter has already been included in the list of agenda items which will be discussed in the course of upcoming negotiations for the establishment of diplomatic ties between the two countries."

However, according to a report, with the current historic requirement for diplomatic relations with the Soviet Union in mind, the government will refrain from bringing up this matter during the period of negotiations for diplomatic relations. Then it will officially raise the issue in the course of discussing detailed procedures for diplomatic ties after the the ROK-Soviet foreign ministers' talks slated for 30 September in New York, when

the two foreign ministers are expected to officially announce an agreement on diplomatic ties between the two countries.

The same high-ranking government official also said: "Our government's stand is that whatever the cause of the downing incident, there should be certain procedures for the Soviet Union to apologize for the fact that a civilian passenger airplane was shot down by Soviet military aircraft and that so many human lives were lost. Therefore, I don't think the Soviet side will have a negative attitude toward this demand."

According to the government official, our government has deemed that demanding compensation for the incident beyond demanding an apology is realistically unreasonable. It has been learned that the government does not want an apology for the incident in an official document but wants the Soviet leadership's "expression of regret."

So far, the Soviet Union has refused to apologize for the incident, insisting that the downing of the KAL plane was a justified military action because it was involved in intelligence collection activities for the United States.

Annual Ministers Meetings To Resume With Japan

SK2609024590 Seoul YONHAP in English 0222 GMT
26 Sep 90

[Text] New York, Sept. 25 (YONHAP)—South Korea and Japan have agreed to resume their annual foreign ministers' talks, suspended for the last three years, around the end of September in Seoul. Korean Foreign Minister Choe Ho-chung and his Japanese counterpart, Taro Nakayama, agreed to resume the regular talks to discuss bilateral interests in a breakfast meeting Tuesday.

Choe and Nakayama exchanged views on inter-Korean entry to the United Nations, improvement of Japan-North Korean relations, Seoul's northern policy, the legal status of Korean residents in Japan and cooperation in industrial technology. Choe explained Seoul's position that South and North Korea should obtain U.N. membership simultaneously but separately. "We will do our best for both halves of Korea to become members of the world body with perseverance. But if the North sticks to its irrational stand, we may have to push to obtain U.N. membership on our own," Choe said. Nakayama responded positively by saying, "In principle, Japan supports Seoul's position. We hope the South and North together will enter the world body."

Pyongyang wants Seoul to share a single U.N. seat, claiming two seats in the world body would perpetuate the division of the Korean peninsula.

Regarding Tokyo's move to improve relations with Pyongyang, Choe asked Nakayama to match the pace of improvements in Seoul's diplomatic relations with China and the Soviet Union. "Tokyo will endeavour to

keep pace with Seoul's achievements, but tensions on the Korean peninsula could worsen if Pyongyang is isolated," the Japanese minister replied.

A Japanese delegation of ruling Liberal Democratic Party and Japan Socialist Party officials are currently in North Korea to seek an improvement in bilateral relations, broken off since the liberation of Korea from the Japanese rule.

Choe also asked Nakayama to cooperate in Seoul's northern policy and explained the South Korea-Soviet foreign ministers' meeting due on Sunday in New York to discuss establishing full diplomatic ties.

As to China, Choe informed his Japanese counterpart of Seoul's plan to seek an exchange of trade offices with China, even on a private level, when the Beijing Asian Games end.

The two foreign ministers also discussed the controversial issues of improving the legal status for Koreans in Japan and the transfer of advanced industrial technology. Nakayama said the Japanese Government would try its best.

Choe is in New York to attend the 45th U.N. General Assembly.

Japanese Ambassador Discusses Kerosene Increase

SK2609001390 Seoul THE KOREA TIMES in English
26 Sep 90 p 8

[Text] Korea and Japan will make joint efforts to stem a rise in the price of kerosene triggered by the current Middle East crisis. For this, Japan will increase production of kerosene and utilize kerosene in stock, a move aimed at curbing rises in its import.

This and other issues were discussed in a meeting between Energy-Resources Minister Yi Hui-il and Japanese Ambassador Kenichi Yanagi yesterday, when the latter visited the minister's office.

Since the Iraqi occupation of Kuwait on Aug. 2, Saudi exports of petroleum products including kerosene have been suspended due to its military use.

Yi and Yanagi also agreed to resume oil exploration.

Vietnamese Propose Exchanging Trade Offices

SK2509113890 Seoul YONHAP in English 0950 GMT
25 Sep 90

[Text] Seoul, Sept. 25 (YONHAP)—A senior Vietnamese official proposed here Tuesday to exchange trade offices between Seoul and Ho Chi Minh City to offer systematic back-up to bilateral economic cooperation.

Tran Duc Nguyen, senior economist of Vietnam's State Planning Committee and Central Economic Bureau, told the second South Korea-Vietnam conference that establishment of proposed trade offices is urgently needed

also to remove various barriers stemming from the absence of diplomatic relations.

Nguyen came here Sunday leading a nine-member delegation, in part, to look for South Korean investors. During the conference at the Korea Chamber of Commerce and industry, Nguyen said his government was ready to sign agreements on investment guarantee and avoidance of double taxation with Seoul.

Introducing Vietnam's latest tax reforms aimed at inducing foreign capital, he said he hoped for a more active advancement of South Korean firms into his country.

Imports of Indonesian Natural Gas To Increase

*SK2609012790 Seoul THE KOREA HERALD
in English 26 Sep 90 p 6*

[Text] Korea will import an additional 2 million tons of liquefied natural gas [LNG] annually from Indonesia under a 20-year contract between 1994 and 2013. Korea Gas Corp. [KGC] and Indonesia's Pertamina, both state-run companies, exchanged a letter of intent for this purpose yesterday, said officials at the Ministry of Energy and Resources.

Seoul has bought an annual 2 million tons of Indonesian LNG since 1987 under its first 20-year contract, which will be effective through 2006, the officials said. The yearly import volume under the existing contract will be increased by 300,000 tons. To fill the supply shortage in the next few years, KGC also plans to introduce another 3.5 million tons of LNG from Jakarta on a short-term contract basis between 1992 and 1995, they said. The letter of intent will become a full contract upon official signing scheduled for next March.

Due to the national natural gas popularization program, Korea's annual natural gas demand is expected to double from its present 2 million tons to 4 million tons in 1994, triple to 6 million tons in 1996 and quadruple to 8 million tons in 2002, the officials said.

To make up for the remaining shortage, Korea will also introduce LNG from another potential supplier, Malaysia, they said. KGC's plan is to import an annual 1 million tons of Malaysian LNG under another 20-year contract between 1995 and 2014 plus a total of 1 million tons on a short-term basis between 1992 and 1994. Similar letters of intent will be exchanged between KGC and the Malaysian supplier next month.

France Lobbies To Export TGV Train System

*SK2609013590 Seoul THE KOREA HERALD
in English 26 Sep 90 p 2*

[Text] Transportation Minister Kim Chang-sik met with visiting French European Affairs Minister Edith Cresson at his office yesterday to talk about issues of mutual interest to both countries, a ministry spokesman said yesterday.

The discussion focused on Korea's possible import of the French high-speed railroad system, TGV [Tres Grande Vitesse], the spokesman said. Stressing TGV's "technological advantages," Cresson appealed to Kim to favorably consider Korea's import of French technology in building a new high-speed railroad linking Seoul and Pusan, the spokesman said. However, Minister Kim was noncommittal, he said, pointing out that the government will adopt the best railroad system through international bidding.

Kim hosted a luncheon for Cresson at a hotel following the talks.

The government plans to select the successful bidder late this year or early next year. In addition to France, Japan and West Germany are vying for the massive railroad project. In particular, the French and Japanese governments have been lobbying hard for the project. Many government officials from the two countries have visited here for lobbying.

Control of East Bloc Exchanges Strengthened

*SK2209042990 Seoul THE KOREA HERALD
in English 22 Sep 90 p 6*

[Text] The government has decided to drastically strengthen its control of private-level economic exchanges with East-bloc nations with which Seoul has no full diplomatic relations such as the Soviet Union and China, widely known here as "northern states."

The decision was primarily aimed to prevent overheated competition among compatriot Korean firms to open business relations with the countries which can undermine the government's effort to normalize relations with the nations, a spokesman for the Economic Planning Board [EPB] said yesterday.

A new government directive on "economic exchanges with the northern countries," issued yesterday by the EPB, calls for the government's advance review of all plans by Korean firms to do businesses with the northern states. Subject to the mandatory state review are the plans for the exchange of trade missions, exhibitions and seminars, natural resources development programs and cooperation in industrial technology he said. Private firms and economic organizations, he said, should submit to the pertinent government agencies their plans for such projects before a letter of intention is exchanged.

Then the agencies are to transfer the submitted plans to the Overseas Cooperation Committee which has the final say on the projects. The committee is headed by director of the Economic Planning Board's International Policy Coordination Office, and comprises director general-level officials of the ministries of foreign affairs, finance, trade-industry, energy-resources, science-technology, agriculture-forestry-fisheries, construction, transportation and the Agency for National Security Planning.

Those which refuse to comply with the government directive will be subject to various restrictions as a penalty, the EPB spokesman said. Overseas travel by officials of pertinent businesses and organizations in connection with plans unauthorized by the state will be restricted as an example, he said. They will be refused financial supports and loans from banks, he added.

The tougher state control of the projects related to the northern states is also designed to minimize the risk of Korean firms doing businesses with the nations with which Korea has no full diplomatic relations, the spokesman stressed.

The government's advance review will also help foster mutual trust between Korea and the northern states which will in turn aid the government's strenuous endeavor to establish official ties with them at an early date, he said. The government action followed local news reports that Korean firms had staged a head-first dash into northern states quite often at the expense of the national image and economic gains.

According to the new directive, businesses and organizations should also obtain state approval for their plans to invite prominent figures from the northern states. The EPB spokesman said that the government may seek to control local businesses and organizations' plans to carry out economic exchanges with the northern states from the feasibility study stage if the new directive fails to help restore order.

Hyundai Corporation To Open Branch in Yugoslavia

SK2209042790 Seoul THE KOREA HERALD
in English 22 Sep 90 p 6

[Text] Hyundai Corporation, a trading arm of the Hyundai Business Group, has been permitted by the Yugoslavia Chamber of Commerce to establish its branch office in Zagreb, a city in northwestern Yugoslavia. Hyundai said that the office will play an important role in exporting Hyundai cars to East-bloc nations.

More Ethnic Koreans Hired for Overseas Projects

SK2309010290 Seoul THE KOREA TIMES in English
23 Sep 0 p 9

[Text] Beijing (AP)—The owner of a major South Korean conglomerate said Friday he would hire more Korean ethnics in China for logging and other development projects in the Soviet Far East.

Chong Chu-yong, honorary chairman of the Hyundai group, said he was in Beijing for the Asian Games but he also wanted to use the occasion to meet with Chinese leaders to discuss the matter. "I am here to do both, the games and business," Chong told reporters upon arrival at Beijing's international airport. Chong, an avid sports fan, is known as a financial supporter of Korean archery and swimming.

Hyundai recently hired 200 Korean ethnic Koreans in China's Jilin province for a 60 million U.S. dollar forestry development project near Svetlaya in the Soviet Far East.

German Envoy Asked To Relay Farmers' Worries

SK2409081490 Seoul YONHAP in English 0741 GMT
24 Sep 90

[Text] Seoul, Sept. 24 (YONHAP)—Leaders of the National Agricultural Cooperative Federation (NACF) called on German Ambassador Juergen Kleiner on Monday morning to speak on behalf of South Korean farmers, who oppose the agricultural market opening pressure of the ongoing Uruguay Round negotiations.

NACF President Han Ho-sun and two other officials requested German cooperation for successful culmination of the multilateral negotiations and to ease pressure to open Korea's farm product markets. Han has been doing the rounds of ambassadors to Seoul in recent months to explain the farmers' opposition to the Uruguay Round, which is to reach a decision by the year-end.

Import Plan Ready for Uruguay Round Discussion

SK2509015190 Seoul YONHAP in English 0144 GMT
25 Sep 90

[Text] Seoul, Sept. 25 (OANA-YONHAP)—South Korea will submit a plan for liberalizing its agricultural imports to the multilateral negotiating group under the Uruguay round by Oct. 15, Trade and Industry Minister Pak Pil-su said Monday.

Pak said the government wants its plan to be discussed by the multilateral group rather than in bilateral negotiations. He said that since the Uruguay round negotiations in the agricultural sector may have a great impact on Korean farmers, the Korean Government will actively seek to make a structural readjustment of the Korean farming industry and take measures to strengthen the international competitiveness of Korea's manufacturing and service sectors, which have comparative advantages, to maximize exports.

The government will gradually increase its textile import quotas as the Multilateral Fiber Agreement (MFA) will expire 10 years after the Uruguay round agreement is signed, Pak said.

The government will also seek the technical development and internationalization of fashion and design so that the Korean textile industry can become internationally competitive, he said.

He said his ministry will beef up its trade committee to take effective measures to minimize the damage done to industry by import liberalization.

Reshuffle of Vice Ministers Announced*SK2609105290 Seoul YONHAP in English 1001 GMT
26 Sep 90*

[Text] Seoul, Sept. 26 (YONHAP)—The government appointed Yi Tong-u, director-general of the Forestry Administration, to be vice agriculture, forestry and fisheries minister Wednesday. Yi, 55, succeeds Yi Pyong-ki, 51, who was named president of the Korea General Chemical Corp.

In a personnel reshuffle involving five vice minister-level officials, Chong Mun-hwa, 50, superintendent of the Central Officials Training Institute, was made vice government administration minister. Chong replaces Son Chong-sok, 52, as the no. 2 man in the Government Administration Ministry. Son will be named secretary-general of the Taejon Expo '93 Organizing Committee.

Choe Pyong-uk, 53, former commander of the Defense Security Command, was nominated to be director-general of the Forestry Administration, while Hwang Pyong-in, 56, chief of the Government Administration Ministry's appeals commission, was named to head the Central Officials Training Institute.

Pang Chun-pil, 59, an adviser to the Agency for National Security Planning, was appointed governor of Hwanghae Province.

Government To Adjust Agricultural Structures*SK2609103390 Seoul YONHAP in English 0612 GMT
26 Sep 90*

[Text] Seoul, Sept. 26 (YONHAP)—The South Korean Government will adjust the structure of the nation's agro-fisheries and livestock sectors to meet changes in international markets in preparation for the end of the Uruguay round of multilateral trade negotiations.

For 63 goods whose producers face enormous damage with the additional market opening, the government will work out measures based on an analysis of the expected damage by the Korea Foreign Trade Association.

Meeting recently with the representatives of 20 economic organizations, including the Federation of Korean Industries, officials from the Trade and Industry Ministry's trade commission said they would accept complaints from firms concerning damage caused by the surge of imports and offer relief.

They also promised to revamp trade, customs, investment, service and intellectual property rights to meet the changes brought by settlement of the Uruguay round.

The economic organizations were asked to follow the rapid changes in the international trade community and provide Korean companies with the information needed to decide how to adjust their export structure.

The organizations were also asked to regularly check import trends and the prices of imports that have increased over 50 percent in 12 months to see if the rise is due to dumping.

Expecting a huge increase in complaints relating to industrial damage, the commission members said they would employ specialists such as accountants, lawyers and patent attorneys to handle the applications for relief and run courses on the industrial relief system at the institutes.

Unionized Broadcasting Employees Stage Protest*SK2309011690 Seoul THE KOREA TIMES in English
23 Sep 90 p 3*

[Text] Some 80 unionized employees of the Munhwa Broadcasting Corporation, most of them working in the editorial department, decided yesterday to apply for simultaneous leave on Monday and Tuesday in protest against the company president's dismissal of two union members on Sept. 15.

The hardline workers made the decision after staging an overnight sit-in at the department in the MBC building in Yoido.

In the general meeting of union members Friday afternoon, the MBC labor union passed a no-confidence motion against the company president Choe Chang-pong through a vote. Of the 613 participants, 534 or 70.6 percent casted votes of no-confidence. The private network's 191 producers, who had gone on leave for five days on Sept. 17, reported back yesterday but refused to work.

The MBC labor union said it will hold its representatives' meeting Tuesday to decide on the reporting of the breakout of a labor-management dispute in their company to the Seoul labor office, a legal procedure necessary to go on strike.

*** Kia Automaker's Production, Exports Detailed***902C0294 Seoul CHUGAN MAEKYONG in Korean
19 Jul 90 pp 39-41*

[Article by reporter Yu Ho-kil: "Kia Motors Corporation Surpasses Daewoo and Makes Light of Hyundai as a Rival as It Ranks First in Commercial Vehicle Output With a 58 Percent Share of the Market"]

[Text] The employees of Kia Motors Corporation are very unhappy about the way the domestic press is handling reports on automakers. Each time newspapers, radios, and magazines make reports regarding automobiles, they invariably put Hyundai first, followed by Daewoo and Kia in that order.

The public relations office of Kia Motors has recently called media offices more frequently to air its complaints.

Kia Motors stresses that when it comes to overall auto output, the press may place Kia after Hyundai, but as far as the competition in bus and truck production is concerned, it should give prominence to Kia as the first ranking automaker.

A comparison of the output of the three automakers as of the end of this June makes Kia's protest tenable.

From January through June this year, Kia registered the total sales of 185,934 automobiles, including 150,146 sold on the domestic market and 35,788 exported.

In the same period Hyundai sold a total of 280,689 cars (203,128 sold on the domestic market and 77,561 exported), and Daewoo sold 70,790 cars (63,471 sold on the domestic market and 8,319 exported). It is quite clear that unmistakably Kia ranks second.

When it comes to the Big Three's shares of the domestic market, Kia's ranking becomes all the more distinctive.

Emphasis on Performance, Design, Lower Cost

In the area of domestic commercial vehicle production, Kia's place is predominant. Kia sold 81,793 commercial vehicles in the first half of the year. It shares as much as 58.1 percent of the commercial vehicle market (excluding Ssangyong Motor Company and Asia Motors Company).

Hyundai Motor Company ranks second with 36.2 percent and Daewoo third with 5.7 percent.

In the domain of passenger sales, Kia is very powerful. As late as last year, Kia sold 93,565 passenger cars, holding an 18.7 percent share of the market. So, Kia had to admit that Kia ranked third after Hyundai (60.3 percent) and Daewoo (20.9 percent) in passenger car production. However, in the first six months of this year, Kia sold 68,433 cars, thereby increasing its market share to 24.8 percent. This means that Kia now ranks second surpassing Daewoo in the passenger car sector.

Kia's pace of growth over these three years is also striking.

Kia sold only 102,000 automobiles in 1986, but the number increased to 128,500 in 1987, a gain of 26 percent. The number increased 29.4 percent to 171,750 in 1988 and 29.4 percent to 222,387 in 1989.

On the strength of this favorable trend of its auto sales, Kia has come to rank high among corporations in terms of the volume of business.

Kia's gross auto sales volume was 642.3 billion won in 1986, and the volume increased 64 percent to 1,053 billion won in 1987, 34.8 percent to 1,420.4 billion won in 1988, and 28.8 percent to 1,830 billion won in 1989. Kia registered a net profit of 20.5 billion won in 1987, 23.5 billion won in 1988, and 23.5 billion in 1989.

In terms of sales volume, Kia falls far behind Hyundai, but it beats Daewoo with a double score.

As late as 10 years ago, Kia Motors (named Kia Industries in those days) was up to its ears in debt.

According to the 1980 financial reports presented to the 37th stockholders meeting in February 1981, Kia registered a loss of as much as 27.3 billion won from its gross sales of 154.8 billion. History had never seen such a huge negative growth.

To add insult to injury, on 28 February, two days after the stockholders meeting, the 28 February measure was announced forcing Kia to suspend passenger car production. Kia also had to suspend two-wheel vehicle production.

Kia reduced its scope of operation by disposing of five of its holding companies such as Kia Kiyon Industries. In 1981 Kia was in the worse condition with its annual loss reaching 26.6 billion won and its 2-year accumulated loss totaling 53.9 billion won. At that juncture, Kim Son-hong took over the command post as president to tide over the crisis.

The new president, Kim Son-hong, presented what was known as Operation RCD-22 and a campaign to expand the sales of Bongo.

Operation RCD-22 calls for an across-the-board 220,000 won cut on the costs of all products. In the first year, the cost was reduced by 13 billion won exceeding the goal set at 11 billion won. The cost was reduced by 10.4 billion won in 1983 and 14.3 billion won in 1984. Thus Operation RCD-22 proved successful.

The success of the Bongo sales expansion campaign was also beyond expectation. Under President Kim's pet theory that "an automaker can survive if it makes a kill with only a single hit model," the sales volume of the existing Bongo model began to soar.

Bongo became a popular model everywhere, in organizations, hospitals, and so forth.

There were 27,069 Bongos sold in 1982, the first year of the campaign, or an increase of 91.5 percent over the preceding year. The number increased 50.5 percent to 40,739 in 1983 and to 43,430 in 1984. The number of Bongos sold in three years totaled 111,237.

This was an amazing record, with Bongo accounting for 62.42 percent of 178,202 vehicles of similar models sold by the Big Three combined in the same 3-year period.

Kia's financial position rapidly reversed thanks to the success of Operation RCD-22 and the Bongo sales expansion campaign. Kia, which had been gasping with an accumulated loss of 53.9 billion won in 1980 and 1981, produced an annual net profit of 3.9 billion won in 1982 from a gross sale of 272.9 billion won (an increase of 42.6 percent over the preceding year). In 1983, Kia recorded an annual net profit of 29.1 billion won (an increase of 47.27 percent), thereby ranking first in terms of net profit among 100 corporations listed on the stock exchanges.

In 1984 Kia realized an annual net profit of 23.3 billion won from the total sales of 456.6 billion won (an increase of 13.62 percent), bringing up the accumulated 3-year profit to 56.4 billion won.

'Bongo Myth,' Small Number of Crack Personnel

The press praised this strategy, this mega-bucks operation, by calling it "the Bongo myth" and President Kim as "Korea's Iacocca."

Kia's share in the annual sales by the Big Three rapidly increased from 30 percent in 1982 to 33.3 percent in 1985, to 36.1 percent in 1985, and to 36.9 percent in 1986.

The second crisis came in 1987 when Kia's share in the total auto sales by the Big Three automakers dropped to 31.7 percent.

Kia's management staff was alerted. This drop in the share in the auto sales came as a great shock particularly because it happened in the year in which Kia put Pride on the market for the first time after five years of preparation.

Kia began to implement a new strategy. While beefing up its operations in the commercial vehicle sector, Kia decided to diversify its passenger vehicle models.

In 1988 Kia introduced all the new models of automobiles which it had secretly developed. It introduced the 1.4-ton Jumbo Titan in January, the 2-ton Jumbo Titan in February, the 1.3 FS Pride in March, and the 2-[liter] diesel Concord in April. It also developed the five-door Pride and (Seres) RHD in May. In July it entered the commercial taxi market by developing the 1.8-[liter] LPG Concord. It also introduced the Concord 2.0 DGT, the 2.5-ton Trade, the 5-ton Rice in July, the 2.5-ton Vesta Limited in August, the Wide Bongo in October, and the Wide Bongo Cab in December. Kia introduced as many as 16 new models in one year.

In addition, Kia launched a fierce war with Hyundai to expand its share of the existing market. Judging that occupation of "strategic points" would determine the outcome of the passenger car sales war, Kia drastically expanded its dealership networks in Seoul and other localities.

Kia often engaged in a feverish competition over candidate buildings for car show rooms.

The competition to occupy strategic points was so acute that the rent of the main floor rooms of strategically located buildings in the street corners skyrocketed. In the past, flower beds surrounded buildings, but now even the architectural style changed to suit the show rooms.

The number of Kia's show rooms increased from 179 in 1988 to 216 in 1989, and to 310 so far in 1990.

In the number of sales personnel, Hyundai leads the Big Three with 6,617, followed by Kia with 3,642 and

Daewoo with 2,777. The number of Kia's sales personnel is relatively small compared with the number of its automobiles sold. This is because Kia has pursued the strategy of making the best of a small number of crack personnel.

Kia tops the Big Three in the number of car sold per salesman. Kia's monthly average of cars sold by per salesman is 6.9 cars, the largest among the Big Three surpassing even Hyundai's 5.1 and far exceeding Daewoo's 3.8.

Kia has maintained its high average number of cars sold per salesman since 1988. Explaining the reason for the relatively high sales volume of Kia's sales personnel, Executive Director Ho Kun-mo, who commands the sales operation, said: "This is because new employees are quick in learning sales know-how from the veteran sales persons."

At the employees meeting held each morning at each Kia auto sales office, a veteran salesman makes a 5-minute speech detailing his success story in car sales. On these occasions, new employees are said to pick up sales skills amazingly fast.

Compared with Hyundai, the salaries paid to sales personnel by Kia are reportedly low. But the pay structure is so constructed that one gets a greater income than salesmen in other companies when his sales volume exceeds a certain point. The person in charge of Kia's sales operation says that this allowance system is the major factor in increasing the number of cars sold by sales personnel.

Kia's operational strategy is to concentrate its operational resources on the popular models whose production is smooth.

Three Percent of Proceeds Earmarked for R&D

The current CPB 3.3 campaign designed to sell 10,000 Capital, Pride, and Bongo models each per month is in line with this strategy.

Kia's advertisement catch phrase has been "high-performance economic cars." These days it is focusing its advertisement on design while diversifying the models.

A Kia official explained: "The car purchase pattern shifts its emphasis from performance in the first stage to design in the second stage, and then to price in the final state. We are now at the early stage of giving preference to design. For this reason, Kia's advertisement strategy meshes well with this stage."

When we say Kia is making light of Hyundai, it makes Kia people blush and say "we are not yet..." But Kia has already launched a move to overtake Hyundai.

Executive Director Ho, who is at the control tower of Kia's operation, intimated that the battle is already

joined in pursuit of Hyundai when he said: "Two conditions need to be met in order to overtake Hyundai. First, adequate productivity must be secured; second, a full lineup of passenger cars must be developed in order to satisfy the divergent demands of the consumers. Kia will be able to meet these two conditions fully by the mid-1990's."

Kia plans to enter the 1,500-cc S model which it has developed on its own in the Tokyo motor show scheduled to open in the latter half of 1991. With this as a momentum, Kia plans to change the Pride model.

This year Kia has built new production facilities with an annual capacity of 150,000 cars on the 1 million-pyong site in the Asan industrial complex to cope with the shortfall in car supply. It plans to upgrade the annual production capacity of the Asan plant to 300,000 cars in 1992 and to a 600,000 car level in 1995. By that time, Kia's total car supply is expected to reach 1 million.

In addition, Kia is stepping up its research and development efforts by spending more than three percent of its total proceeds. The fact that Kia was the first Korean firm to introduce a supercomputer this year, at a huge cost, is indicative of the magnitude of Kia's passion for research and development.

More immediately, Kia's goal for this year is to bring up its market share among the Big Three to 40 percent.

The attention of the financial world is focused on how Kia will wage its battle to overtake Hyundai in the future.

* Choe Kwang's Biographic Data Detailed

902C0269 Seoul PUKHAN in Korean
Jul 90 pp 102-112

[Article by NAEOE TONGSIN reporter Chong Sang-yong: "Resurgence of the 'First-Generation Revolutionaries' and Choe Kwang"]

[Text] It was none other than Choe Kwang, chief of the Korean People's Army [KPA] general staff, who made the most spectacular rise of all in the leadership reshuffle at the 18th plenum of the sixth Central Committee of the North Korean Workers Party [WPK] in May. Let us reexamine the North Korean hierarchy structure of leadership as seen through the life of Choe Kwang, one of the first-generation revolutionaries, all of whom have turned out to be loyalists to the Kim Il-song - Kim Chong-il father-son hereditary succession.

Foreword

Has the spring of reform and openness come to Pyongyang, the "closed citadel," too?

This expectation, and cherished wish, of the world, however, was brushed off by the ninth Supreme People's

Assembly [SPA], which unveiled the truth about North Korea remaining a closed society defying the trends of the times.

In fact, until the first session of the ninth SPA opened on 24 May, the eyes of the world had been on North Korea, expecting to see some change. Such expectations were prompted by observations that amid the current historic changes—as seen in the surging tide of reform and openness, which even gained momentum almost simultaneously with the opening of the SPA session, and in the ROK-USSR summit blitz in San Francisco—North Korea would have no alternative but make some policy change or reshuffle its leadership to shake off the international isolation. However, Kim Il-song, reelected to the post of "President of the Republic" at the session, turned his back to the expectations and concern of the people everywhere, declaring that he will continue to strengthen and develop the current socialist revolutionary line.

Kim Il-song emphasized repeatedly that North Korea will become the "last Eastern outpost of socialism" as he said in his 1990 New Year's address. In the leadership reshuffle, too, the focus was, after all, on further consolidating the system based on the Kim Il-song - Kim Chong-il father-son hereditary succession that had been a subject of scrutiny by the outside world.

Choe Kwang Catapulted to Upper Stratum of Power

Also, at the 18th plenum of the sixth party Central Committee held a day earlier on 23 May, North Korea reshuffled the party lineup and reorganized the cabinet, although changes were relatively minor.

The reshuffles at these sessions characteristically suggested two points—an effort to build a power base for Kim Chong-il to control the military and a resurgence of hard-liners such as the first-generation revolutionaries—as if to symbolize North Korea's political lines for the immediate future, namely, adherence to the Kim Il-song - Kim Chong-il father-to-son hereditary succession and the existing socialist revolution programs.

While lording it over as Kim Il-song's heir apparent, Kim Chong-il had yet lacked an official position in the administration and this fact had prompted the outside world to speculate that through the SPA session he might take over as the president or vice president of the Republic.

The reshuffle installed Kim Chong-il as the first vice chairman of the reorganized National Defense Commission, signifying the first administration job for him. But otherwise it brushed off the outside world's speculations.

The National Defense Commission, which had been one of the six commissions under the Central People's Committee, the state guidance organ, was now separated and upgraded to the same level as the Central People's

Committee; at the same time, Kim Chong-il was installed right under the chairman (Kim Il-song) as its first vice chairman.

Appointed to the National Defense Commission were O Chin-u, minister of people's armed forces, and Choe Kwang, chief of the KPA general staff. Also promoted to sit on the Commission were nine military leaders including Kim Chol-man, Yi Ul-sol, Chu To-il, Kim Kwang-chin and Kim Pong-yul. Thus, the National Defense Commission emerged as North Korea's virtually highest-level leadership organ both in name and reality.

Kim Chong-il, thus taking up a position in the National Defense Commission, came to have under him People's Armed Forces Minister O Chin-u and Chief of the KPA General Staff Choe Kwang, both first-generation revolutionaries and senior military leaders, and nine other generals including Kim Chol-man.

Kim Chong-il thus moved a step closer to the succession; especially, his ascent to the position of leading the National Defense Commission—representing North Korea's top-level military leaders—can be seen as indicating that he has secured a beachhead for the future exercise of powerful influence over the military.

Although Kim Chong-il had been acting as the virtual North Korean ruler all these years since publicly confirmed as Kim Il-song's heir apparent at the sixth party congress in 1980, formal succession ceremonies had been put off. One of the biggest reasons for the postponement, it was said, was the distrust and opposition shown by the military toward Kim Chong-il, who had no experience in the revolutionary struggle at all.

Also in the reshuffle of party officials at the 18th plenum of the sixth party Central Committee, Choe Kwang (chief of the KPA general staff) and Han Song-yong (party secretary) were promoted from candidate members to full members of the party Political Bureau, while Kim Chol-man and Choe Yong-nim were newly named to be candidate members.

These results of the party leadership reshuffle showed advances of former anti-Japanese revolutionaries and technocrats, spawning speculations that they would eventually work as the driving force for the father-to-son hereditary succession.

Thus, it is none other than Choe Kwang, chief of the KPA general staff, who made the most conspicuous and rapid rise to the upper stratum of the North Korean hierarchy in the transitional period from the Kim Il-song era to a Kim Chong-il era.

The reshuffle process catapulted Choe Kwang to the WPK Political Bureau the membership of which serves as a barometer of individual power ranking, and to the vice chairmanship of the National Defense Commission, a position to assist Kim Chong-il as a close aide.

Choe Kwang, who thus rose to the upper stratum of the North Korean leadership at the outset of the 1990's, was born in 1917 and is a first-generation revolutionary, age 73, an age that in fact is incompatible with such terms as rapid rise.

The fact that first-generation revolutionaries and former anti-Japanese guerrillas like Choe Kwang made their rise to the upper stratum of the North Korean leadership for the 1990's is significant because it has something to do with the North Korean political line declared earlier by Kim Il-song rejecting reform and openness and clinging to socialism that now became the Cold War era's legacy.

The fact that those first-generation revolutionaries are still in control as the core of the power structure 40 years after the liberation indeed offers a direct proof for the conservative and aging North Korean leadership quality. At the same time, it makes people turn their attention to the political role and relative importance of those first-generation revolutionaries. In retrospect, they have played the leading role from the founding of the North Korean regime in 1945 through to the current process of setting up the father-son hereditary succession; in the future, too, they are destined to share the fate with Kim Il-song and his political life.

Anyway, the rise of Choe Kwang makes it necessary to reexamine how those first-generation revolutionaries have survived North Korean power politics known for uncertainty and ups and downs, and how they turned themselves into loyal subjects of the Kim Il-song - Kim Chong-il succession, a father-son hereditary succession regarded as heretic in modern politics.

First-Generation Revolutionaries' Ups and Downs

The first-generation revolutionaries who took part in the anti-Japanese guerrilla struggle currently remaining in the upper stratum of the North Korean hierarchy are not too many in number.

Those first-generation revolutionaries who have been in control as the core of the leadership since the founding of the Kim Il-song regime in 1945 are in fact star witnesses of the history of power struggles in North Korea filled with uncertainty and ups and downs. Generally speaking, the term first-generation revolutionaries means in most cases those who, under Kim Il-song's direct command, took part in the anti-Japanese guerrilla activities (as part of the Communist Party of China's [CPC] Eastern Manchuria Region Guerrilla Unit in the mid-1930's). They consistently played the leading role from the first days of the North Korean regime through the 1950's when Kim Il-song established his one-man dictatorship. Among the leading figures were: Kang Kon, chief of the general staff (killed in action); Kim Kwang-hyop, commander of the 2d Army Corps; Choe Kwang, commander of the 1st Division; Choe Hyon, commander of the 2d Division; Yi Yong-ho, commander of the 3d Division; Yu Kyong-su, commander of the 105th Tank Division; O Paek-yong, commander of the 8th Division; Chon Mun-sop, commander of the 10th Division; Kim

Tae-kun, commander of the 13th Division; Pak Song-chol, commander of the 15th Division; Choe Chung-kuk, commander of the 12th Division (killed in action); Kim Tae-hong, commander of the 14th Division; Chong Pyong-kap, commander of the 13th Division; and O Chin-u, commander of the 766th Guerrilla Unit. Meanwhile, among those at the levels of deputy division commander, division chief of staff, brigade commander and regiment commander were: Ho Pong-hak, Kim Chang-pong, So Chol, Paek Hak-nim, Hong Pyong-hak, Sok San, Yi Yong-mu, Choe Min-chol, Chu To-il, Yi Tu-ik, Tae Pyong-yol, Yi Ul-sol, Han Ik-su, Kim Chol-man, Choe Yong-chin, Chi Kyong-su, Kim U-hyok, and Kim Yong-yon.

Many of them were later appointed to high military posts. At the same time, most of them were promoted to the party Central Committee and became personal guards for the Kim Il-song regime. At the same time, in the 1970's and thereafter they became the leading force in setting up Kim Il-song's successor. Quite a few of them, however, incurred Kim Il-song's displeasure and were thrown out of political life entirely. In short, the fourth plenum of the fourth party Central Committee in 1969 carried out a purge of KPA leaders on charges including "disregard of the tradition of the anti-Japanese guerrilla struggle," "breach of the unitary ideological system," "criticism of the four military lines" and "failure of operations against the South." Among them were Ho Pong-hak (director of the General Bureau of Anti-South Programs of the party Central Committee) and Kim Chang-pong (minister of national defense). Choe Kwang was among the purged, implicated in an "anti-party conspiracy," dismissed as chief of the KPA general staff and from all other posts he held then and sent to a mine as a laborer.

Besides them, there was a separate group of about 10 revolutionaries (former anti-Japanese guerrillas) who had been assigned to provinces, administrative agencies or various public organizations from the beginning of the North Korean regime. They were Kang Hui-won, Pak Yong-sun, Pak Su-tong, Kim Tong-kyu, An Sung-hak, Yom Tae-chun, Yi Chan-son, Kim Ung-sang, Yi Yang-suk, Wang Ok-hwan (Choe Yong-kon's wife) and Ho Chong-suk (Kim Il's wife).

It can be said that the third party congress, held in April 1956, marked the beginning of the advances of those first-generation revolutionaries essentially as the nucleus of the ruling power to strengthen the Kim Il-song dictatorial regime. At the time, Kim Il-song had basically finished the purge of the South Korea Labor Party (1953-55) but was still under difficult circumstances in the face of challenges from the Yanan and pro-Soviet factions and was even blamed for the defeat in the Korean war.

This prompted Kim Il-song to convene the third party congress and call in the first-generation revolutionaries who were then doing political studies in KPA units.

Five of them—Choe Yong-kon, Kim Il, Kim Kwang-hyop, Yu Kyong-su, Yi Yong-ho—were named to be full members of the party Central committee, while Choe Kwang, Kim Chang-pong, So Chol, O Chin-u, Sok San and Choe Yong-chin, altogether six of them, candidate members of the same. They thus formed Kim Il-song's personal guard group.

In particular, Choe Yong-kon and Kim Il rose to the Standing Committee of the Political Bureau, the supreme core of the party leadership, and the remaining nine all became members of the party Central Committee while retaining their status as KPA general officers.

Such advances made by the revolutionary generations all at the same time at the third party congress could not but be a major change when compared to those at the second party congress (March 1948), when it was, except Kim Il-song, only two of them who made it—Kim Chaek (member of the party Central Committee; died in January 1951) and Kim Il.

From then on, the North Korean political power became the monopoly of the first-generation revolutionaries headed by Kim Il-song. Then, in the period through the fourth party congress held in September 1961, altogether as many as 29 of them were promoted to the party Central Committee. Of them, two were full members (Political Bureau members four) and seven were candidate members. These figures could very well represent all the first-generation, ex-guerrilla revolutionaries under Kim Il-song's direct influence. People also called them "the military faction."

Furthermore, they became the center of the Military Committee created within the party. North Korea began accelerating its military buildup after adopting the policy of "four military lines" at the fifth plenum of the fourth party Central Committee on 14 December 1962. Then, beginning in the mid-1960's, it kept perpetrating persistent operations against the South including the sending of armed guerrillas. At the time, Choe Kwang served in major military posts, including air force commander (October 1958) and vice minister of national defense (colonel general, September 1962). He was appointed chief of the KPA general staff in February 1963, and from then on, played an active role as the anti-South hard-liner behind the scenes while exercising control of the military command system.

At the sixth [as published] party congress in November 1970, 29 first-generation revolutionaries became members of the party Central Committee (two candidate members—Kim Chol-man and Pak Su-tong). Furthermore they occupied 10 of the 15 Political Bureau seats. Thus, as their influence continued to increase, the first-generation revolutionaries came to grasp the party hegemony. Among the members of the party Political Bureau at the time were Kim Il-song, Choe Yong-kon, Kim Il, Choe Hyon, So Chol, Yim Chun-chu, Pak Song-chol, O Paek-yong, Chon Mun-sop and O Chin-u.

At the time of the sixth party congress in October 1980, which officially designated Kim Chong-il as successor to Kim Il-song, the first-generation revolutionaries continued to control the party as its core elements, with 21 of them becoming members of the party Central Committee (including four candidate members). Of the 14 Political Bureau seats, they occupied 12.

In addition, they occupied six of the 11 seats of the Central People's Committee, the highest North Korean policy leading organ, plus five of the eight seats of the Military Committee, the party's military policy body.

However, the first-generation revolutionaries began showing a decline from around the 1980's as many of them left the first line of political leadership due to death, illness or old age and, as a result, the second-generation revolutionaries such as Ho Tam, Kim Chung-nin, Kim Yong-nam, So Yun-sok, Kang Sang-son, Yun Ki-pok and Son Song-pil and the Kim Chong-il generation took over the positions thus vacated and their advances began showing a conspicuous upswing.

Among those who died while serving in key leadership posts were Choe Hyon, Choe Yong-kon and Kim Il, all of whom died in the 1970's, and O Paek-yong and Yim Chun-chu who died in the 1980's. So Chol, who had long served as chairman of the party Inspection Committee, was shoved out of power this year due to old age. Typical examples of the first-generation revolutionaries still in good shape today are Pak Song-chol (vice president), Choe Kwang (chief of the general staff) and Kim Man-chol (candidate member of the party Political Bureau) as well as O Chin-u, who, while serving as minister of people's armed forces for 14 years since May 1976, has been on the Political Bureau Standing Committee with Kim Il-song and Kim Chong-il. Meanwhile, those among the top-level military leaders are Paek Hak-nim (minister of public security), Chu To-il and Yi Ul-sol, who are all general officers and members of the party Military Committee and the National Defense Commission. These figures continue to occupy key positions of the North Korean leadership after many of their colleagues died. Especially, the rise of Choe Kwang and Kim Man-chol this time has the effect of demonstrating the influence they still exercise. Choe Kwang, 73, has shown up again as a key leadership figure despite old age. It would offer a meaningful study to reexamine the ups and downs he came through and his personal history.

Once Reduced to Laborer in a Mine

Choe Kwang was born in Huchang, North Hamgyong Province in 1917. The family moved to Andao, Manchuria, in the late 1920's. Before Korea's liberation, he joined the Kim Il-song anti-Japanese guerrillas in about 1935 after quitting the Dacheng middle school in Longjing, Manchuria. He was an active member of the anti-Japanese guerrillas led by Kim Il-song, who operated mainly in the eastern part of Manchuria in the latter half of the 1930's. Thus, in 1945, Choe Kwang participated in the Soviet military operations against Japan. On

returning home after the 15 August liberation, he was appointed commander of the KPA First Division for his positive contributions to the establishment of the Kim Il-song regime and the KPA's founding. During the Korean war, he participated in combat as commander of the 13th Division.

After the Korean war, he rapidly climbed the ladder to the top military leadership—commandant of the Kang Kon military academy in 1952, vice minister of national defense in 1962, and to the chief of the KPA general staff post.

At the same time, Choe Kwang, like other first-generation revolutionaries, joined the political forces and was named candidate member of the party Central Committee in 1956, then candidate member of the Political Bureau in 1966. In 1968, he was awarded the title of Hero, the Gold Star Medal and the Order of National Flag First Class. In 1969, however, he was dismissed from all the posts he held and was sent to a mine as a laborer on the charges that he had been aware of an "antiparty conspiracy" against Kim Il-song led by Kim Chang-pong and Ho Pong-hak but failed to report it to Kim Il-song on time.

However, undaunted at the fall to the status of a laborer in a mine from the high office he held as chief of the KPA general staff and member of the party Political Bureau, Choe Kwang redoubled his efforts for a comeback, demonstrating himself as a man of fortitude.

As a miner, Choe Kwang entered deep into the shafts together with other workers and took the lead in hewing coal in the blind end of the gallery. He even ventured into the hazardous final-phase tunneling job, setting an example for other workers.

Choe Kwang also launched an ideological indoctrination program for workers at the mine to help enhance their consciousness of socialist revolutionary struggle, which resulted in doubling the coal output of the Songjin mine where he worked and turning it into a model mine. At the same time, he totally devoted himself to his work of coal mining, spending most of his time inside the shafts. Furthermore, he wrote a letter of self-criticism daily and submitted it to the party organization, showing his devotion. Word about his loyalty was soon conveyed to the first-generation revolutionaries in the key leadership positions including O Chin-u, and eventually up to Kim Il-song.

It is said that Kim Il-song, hearing about Choe Kwang's life in the mine, praised him by saying that "Choe Kwang is Choe Kwang after all. Choe Kwang is back to life"; he issued instructions to call him back at once.

They say that on receiving Kim Il-song's order, Choe Kwang was so deeply moved that he could not eat for days.

It is said that Kim Il-song made Choe Kwang sit before him and showed his solicitude, asking questions even

about his wife. He said: "Since you came back to life, how could I abandon you? You have had a hard time. How is Ok-sun (Choe Kwang's wife)?" Choe Kwang's wife, Kim Ok-sun (former chairman of the Central Committee of the Korean Democratic Women's Union), had once looked after Kim Chong-il and his brother after their mother, Kim Chang-suk, died and she formed a close relationship with Kim Il-song's family. During Choe Kwang's expulsion to the mine, she worked as chairwoman of the Agricultural Workers Union of a neighboring county and was known to have played a decisive role in helping him make the comeback. One year after Choe Kwang's comeback, she began serving as adviser for the Women's Union at Kim Chong-il's invitation. After being restored to the first leadership line, Choe Kwang was promoted to chairman of the People's Committee of South Hwanghae Province in 1977 and returned to the party Central Committee in 1978. Finally, the sixth party congress in October 1980 restored him to candidate membership of the party Political Bureau. He thus reestablished himself firmly as a key leadership figure.

Choe Kwang thus completed his comeback 10 years after his 1969 purge, demonstrating his strong vitality in the North Korean hierarchy known for severe ups and downs.

Return as Chief of the General Staff for the Second Time

Choe Kwang, coming back as Political Bureau candidate member, also advanced to key posts of the State Administration Council, the policy executive organ. He was appointed vice premier and concurrently chairman of the Fisheries Committee of Premier Yi Chong-ok's cabinet, showing a career on the upswing.

On the strength of this upswing, he kept his rank in the party at the 20th or so since October 1980. In February 1988, he succeeded to O Kuk-yol as chief of the KPA general staff and was promoted to the rank of general at the same time. Installed as chief of the KPA general staff for the second time in 25 years' time, Choe Kwang became the first to be named to the second term in that office.

Especially, the reappointment of Choe Kwang as chief of the KPA general staff suggested that there had been a certain kind of internal power struggle, because the predecessor O Kuk-yol, who had been in the same class with Kim Chong-il in Mangyongdae Revolutionary School, was one of the so-called second-generation revolutionaries and, as such, a key figure in the building of the Kim Chong-il succession system. Unlike O Kuk-yol, Choe Kwang was one of the first-generation revolutionaries like Kim Il-song and O Chin-u were. As such, there was a generation gap between him and Kim Chong-il and, more importantly, Choe Kwang had been lower than O Kuk-yol in terms of ranking in the hierarchy of the North Korean leadership. Hence, his reappointment as chief of the KPA general staff suggested that there

could have been a power struggle inside the military. Among the incidents that occurred inside and outside North Korea in those days were the "KAL explosion incident" and the December 1987 "massive explosion" of a military train carrying explosives and bombs from China between Hwasun and Yongbyon, North Hamgyong Province, which killed 120 persons and injured 5,000. At the time, some observed that sabotage by an anti-Kim Chong-il group was responsible for the incident.

According to reports then, following that incident, Kim Il-song decided against leaving the military under the leadership of Kim Chong-il any longer and, based on that decision, reappointed Choe Kwang, who was under Kim Il-song's direct influence as one of the ex-anti-Japanese guerrillas, as chief of the KPA general staff. Among developments lending support to this observation was the fact that O Kuk-yol was not seen on the first front of leadership for two years since he stepped down as chief of the KPA general staff. Eventually, the change of hands between Choe Kwang and O Kuk-yol or the two different generations was interpreted as reflecting the fact that the first-generation revolutionaries—including O Chin-u, Choe Kwang and Kim Man-chol—won in their power struggle within the military against the second-generation revolutionaries led by O Kuk-yol and including Kim Tu-nam, Kim Kang-hwan, Choe Sang-uk and Yi Pong-won.

"Kim Chong-il Equals the North Korean Army" Formula

It is known, however, that Choe Kwang, after being reappointed as chief of the KPA general staff, concentrated his efforts on strengthening forces within the military positively defending the father-to-son hereditary succession from Kim Il-song to Kim Chong-il.

Needless to say, he always followed Kim Il-song and Kim Chong-il whenever they visited military units for inspection. He also took the lead in instilling the military with loyalty to Kim Chong-il.

This change on the part of Choe Kwang may have been part of an effort to fulfill his fundamental duty or an expression of an obligation to Kim Il-song for what he had done for him; introspectively, however, a more important factor was his determination not to fall behind O Kuk-yol in the loyalty race, it was said. Choe Kwang himself must know better than anyone else that although O Kuk-yol has been left out of the leadership since he stepped down from the chief of general staff post, there still are chances of his making a comeback.

Anyhow, Choe Kwang, in his keynote speech every year to the annual celebration of the KPA founding anniversary, kept highlighting Kim Chong-il's ability to control the military by stressing that the North Korean military buildup has been led by Kim Chong-il.

In his report to the Pyongyang celebration on 24 April of the 58th anniversary of the founding of the KPA, Choe

Kwang publicly stated that Kim Chong-il fostered the KPA into a "one-a-match-for-100 armed force" and that building up the revolutionary armed forces would after all be inconceivable without his leadership.

Continuing, Choe Kwang, in a remark smacking of a personality cult, said that "Comrade Kim Chong-il is a sagacious leader who has been devoting everything to the development of our revolutionary armed forces." By saying so, he appeared to be attempting to bring on a shift from the "Kim Il-song equals the North Korean army" formula to a "Kim Chong-il equals the North Korean army" formula. At the same time, as a means to demonstrate the unity and solidarity between the military and the public, Choe Kwang set up a system for "people's delegations" of local residents to visit military units of various levels on the KPA Day every year and hold friendship gatherings with service personnel.

At the same time, Choe Kwang endeavored to promote military cooperation with China, the Soviet Union and other countries through his meetings with military delegations from these countries. He also actively visited foreign countries to further military diplomacy.

When he visited China, 25-31 August 1989, Choe Kwang held official talks with Chinese officials including Defense Minister Qin Jiwei and CPC General Secretary Jiang Zemin to reaffirm the traditional blood-cemented alliance and discuss military exchanges and cooperation between the two nations.

Also, in late September the same year, he toured Eastern European countries including Romania and Bulgaria where the winds of pro-democracy reforms began blowing. His vigorous diplomatic activities included talks with defense ministers and chiefs of the general staff of these countries to pledge military cooperation.

The recent North Korean leadership reshuffle timed with the first session of the ninth SPA reconfirmed the prospects that military leadership activities of Choe Kwang, who controls the KPA, an army of more than 1 million men, will continue for some more time in the future, internally and externally. He could indeed manage to extend his political life so far in his stormy career full of turns and twists, ups and downs but he, too, is destined to be swept away by the current of the times and come to an end of it in the near future. [box, p 107]

A Brief History of Choe Kwang:

Born in North Hamgyong Province in 1917; commander of the 1st Division in February 1948; commander of the 15th Army Corps in October 1953; commander of the 1st Composite Corps in January 1954 (lieutenant general); commander of the Air Force in October 1958; vice minister of national defense in September 1962 (colonel general); chief of the KPA general staff in February 1963, and released from this post in February 1969; candidate member of the Political Bureau of the party Central Committee in October 1976; member of the party Central Committee and candidate member of the Political Bureau in October 1980; vice premier of the State Administration Council in March 1981 (still is member of the party Central Committee); deputy of the eighth SPA in November 1986; chief of the KPA general staff, KPA general officer in February 1988 (through today); released from the post of vice premier in April 1990; deputy of the ninth SPA in April 1990 (through today); member of the Political Bureau and first vice chairman of the party Military Committee in May 1990 (through today).[end box] [box, p 111]

Major Activities of Choe Kwang (Since 1988)

Speech at a welcome banquet in honor of a Soviet military delegation led by First Deputy Minister of Defense Petr Lushev in April 1988; meets O Chin-u on his return from a USSR visit, in Suan Airport in May 1988; attends the Pyongyang City mass rally marking the 38th anniversary of the 25 June incident [outbreak of the Korean war] in June 1988; meets with a visiting East German military delegation in July 1988; attends a joint conference of the Central People's Committee, SPA and the State Administration Council in November 1988; attends the 57th anniversary of the KPA founding in April 1989; visits China in August 1989; tours Eastern European countries including Romania and Bulgaria, meets with visiting Czechoslovak Milan Vlacik in September 1989; invites Liu Huaqing, deputy chief secretary of the CPC Military Commission to visit North Korea, meets with him in October 1989; presides over a banquet given in honor of a Chinese PLA friendship visit group led by (Li Xiongyun) in April 1990; sees the performance of a visiting Chinese PLA song and dance troupe in May 1990; meets with a visiting Soviet Air Force delegation (led by Valetin Mantsyne), first deputy commander of the General Command Headquarters in June 1990.[end box]

Burma

Officials Tour Upper Burma, Hold Meetings

*BK2509141490 Rangoon Domestic Service in Burmese
1330 GMT 25 Sep 90*

[Excerpts] Lieutenant General Phone Myint, member of the State Law and Order Restoration Council, minister of home and religious affairs, and minister of information and culture; Major General Tin U, secretary-2 of the State Law and Order Restoration Council; Brigadier General Abel, minister of planning and finance and trade; and Colonel Pe Thein, minister of health and education and commander in chief of the University Training Corps, toured townships in Mandalay, Sagaing, and Magwe Divisions from 20 to 23 September. The tour was to inspect the progress of construction projects, coordinate and provide necessary assistance, and discuss the economic, social, health, security, and political situation with members of the divisional, township zone, township ward, and village-level law and order restoration councils, departmental responsible officials, and staff workers from factories and mills. They returned to Yangon [Rangoon] on the evening of 23 September.

Lieutenant General Phone Myint, Major General Tin U, Brigadier General Abel, and Colonel Pe Thein, accompanied by Brigadier General Maung Maung, commander of the 502d Air Base, and responsible officials from the Office of the State Law and Order Restoration Council, directors general of departments, and managing directors left for Mandalay by military aircraft at 0715 on 20 September and arrived at Mandalay airport at 0845. [passage omitted]

From the Mandalay airport, the ministers and the secretary-2 proceeded to Yadanabon Hall in the palatial compound where they had a meeting with members of the Mandalay Division Law and Order Restoration Council, chairmen of township zone and township law and order restoration councils, and responsible officials from divisional-level departments.

Giving an opening address at the meeting, Minister Lieutenant General Phone Myint his party had come to Mandalay for the day to provide any assistance needed. Thanks to unrelenting efforts in implementing construction projects, progress is being made, which is evident to all. We hope these collective efforts continue.

Regarding national affairs, the State Law and Order Restoration Council has already issued Declaration No. 1/90, while Senior General Saw Maung and responsible officials have also explained the situation. We have sacrificed many lives and shed much sweat and many tears to gain our national independence. We will therefore never accept a situation in which we lose this independence just because we are forced by outside elements to fight one another. In fact, we will not hesitate to give up our lives if it would lead to the betterment of the nation. We and all our coming generations must continue to profoundly safeguard the three major tasks

of preventing the disintegration of the union, preventing national unity from disintegrating, and perpetuating our sovereignty.

Addressing the meeting, Brigadier General Abel said after assuming the responsibilities of the state, the State Law and Order Restoration Council adopted the market economy. Hence, trading laws and procedures in accordance with the new system were introduced to be on a par with other world nations. In the same way, we reformed our financial policies and banking laws. This has led to a marked development in the country's economy. Seminars, workshops, and training courses were conducted to familiarize national entrepreneurs with the trading practices. Not only were foreign experts invited to provide these courses, the locals were also sent abroad on study tours and missions.

Although the practice of market economy has led to changes in commodity prices, the fluctuation of prices in our country is not as severe as the changes in the other countries. Economists and international organizations have suggested that among the nations expected to develop before the next century, Myanmar [Burma] has been listed as having good prospects for development and the country to invest in. Public service personnel and other people should understand changing conditions. If they show goodwill and cooperate with zeal, the country will develop in the near future.

Next, Colonel Pe Thein addressed the meeting. He praised the teachers who helped in the successful reopening of schools and in ensuring peaceful studies. However, he said there were some teachers who had to be abandoned because they did not have a clear outlook and were involved in party politics. The majority of the parents and students want peaceful studies and those who are agitating disturbances and creating unrest are but a minority. The education process is in fact preparing for the future. If our nationals are uneducated, they will be subservient to foreigners. Hence, assistance from everyone is necessary for stable and peaceful studies.

As in the saying that the teacher is to be blamed if the student is bad and that the parent is responsible for the wrongs committed by the child, teachers and parents should endeavor to guide their students and children. Colonel Pe Thein said we reward the people who make great efforts as well as those who are outstanding in their work.

Next, Brigadier General Maung Maung, chairman of the Committee for Regulating Prices and Facilitating Distribution of Commodities, spoke about the work of his committee, the present situation, rumors being spread on boosting commodity prices, false rumors being spread about revenue collection, the need for the people and the public service personnel to cooperate, and the arrangements made by his committee to provide assistance.

Next, Major General Tin U addressed the meeting. He said the state has been increasing budgetary allocations

so departments can carry out short- and long-term as well as special projects. He said he wants to see results which were worthy of the budget being allocated. All departments concerned must utilize their finances by opening proper accounts in accordance with procedures and financial rules and regulations in carrying out construction projects. In the same way as it is essential to collect revenues properly, it is necessary for the tax payers to pay them properly.

It is common knowledge that the revenue collected is used for paying the salaries of public service personnel, undertaking constructive tasks of the state, and spending in the health, social, education fields.

Regarding politics, we shall continue to work in accordance with Declaration 1/90. We have noticed that some monks and students have caused disturbances and have created instability in Mandalay in recent days. Venerable abbots and monks should only practice their religion and work for religious affairs in accordance with the Vinaya code of ethics for monks. Arrangements have been made to enable the venerable monks to do this. If the tranquillity and stability of the country continue to be affected and excesses are committed once again, effective action will taken in accordance with the law. We will never let the three major tasks be affected, and this has been repeated at every available opportunity, he said.

Next, Lieutenant General Phone Myint gave a concluding speech. He said departmental personnel and the people should understand we are being pushed to fight among ourselves by elements overseas. Influences both inside and outside the country are trying to divide the people and the Defense Services, the people and the government, and the students and the Defense Services. This should not be taken lightly. We shall never accept any bullying or hegemonistic tactics from any nation. We shall administer our citizens in accordance with the law and take decisive action against people who violate this law. People should be aware of the saying that cattle in disunity become prey to the tiger. Hence, they should live in unity.

The meeting ended at 1125. [passage omitted]

On the morning of 21 September, the ministers and the secretary-2 proceeded to the leprosarium at Yenantha village in Madaya Township. [passage omitted]

At 0930 on the morning of 22 September, the ministers and the secretary-2, in the company of Major General Tun Kyi, chairman of Mandalay Division Law and Order Restoration Council, flew to Pagan Nyaung-u township by military aircraft. [passage omitted] They later proceeded to the new Pagan city by motorcade and had a meeting there with members of the township zone and township law and order restoration councils, responsible officials of departments, and ward law and order officials. [passage omitted]

In addressing the meeting, Major General Tin U said that new towns and villages are being set during the period that the State Law and Order Restoration Council is in charge. This is to ensure the benefit is enjoyed for generations to come. The newly developed towns and villages are not being ignored; necessary assistance is provided from time to time. Since we are doing this on a national scale, we must get the cooperation of the people.

The ministers and the secretary-2, in the company of the chairman of the Magwe Division Law and Order Restoration Council, later proceeded to Pakkoku by helicopter, arriving at 1250. [passage omitted]

The ministers and the secretary-2 toured the No. 2 Cigarette Factory in Pakkoku where they were received and shown around the factory by the manager and responsible officials. The ministers and the secretary-2 proceeded to give necessary instructions. Next, they had a meeting with the public service personnel at the factory. Addressing the meeting, Lieutenant General Phone Myint said his party was visiting the factory to see what sort of assistance could be rendered to resolve the difficulties of the peasants, workers, and local populace in their efforts to carry out regional development work.

We have been in charge for more than two years. We are merely personnel in charge of the security of the nation, while you, factory workers, are personnel in charge of the economic development work. Hence, we are both working in the interests of the nation through weal and woe. Foreign broadcasting stations, left- and right-wing destructive elements, and some political parties are agitating trouble and hurling accusations to destabilize the improving situation in the country. Since they are resorting to acts aimed at dividing the people and the Defense Services, we must remain united.

Next, Brigadier General Abel explained the changes in the economic system since the assumption of responsibilities by the State Law and Order Restoration Council. Colonel Pe Thein explained in detail the enslaved life under colonial rule, the importance of having independence, the opening of schools and hospitals, how the implementation of constructive projects are the fruits of independence and stability in the country, and the need to expose subversive elements infiltrating students and young monks. [passage omitted]

Major General Tin U then gave a speech. He said public service personnel are paid by the state and hence must be dutiful and loyal to the state. It is essential to understand that when public service personnel perform their work well, the economy of the country will develop and the personnel will enjoy a more pleasant life. The state is striving in the interests of the peasants, workers, and people, and action will be taken in accordance with the law against those who create disturbances and cause instability to the country. Hence, public service personnel should be good employees of the state and should work for regional stability and development in any given role.

The ministers and the secretary-1 later proceeded to the Pyithayar hall to meet with members of township and ward law and order restoration councils, departmental officials, and public service personnel. [passage omitted]

Addressing the meeting, the secretary-2 said the state has been allocating budgetary funds to development programs not because the state is too wealthy. It is sharing whatever it has so that on a national scale what should be done will be done. Hence, the funds allocated should be utilized in a beneficial way. We have already allocated millions for development tasks; therefore, revenues should be collected fully to replenish state funds. It is essential to ensure that state coffers do not get reduced because of the shortcomings and erroneous ways of revenue department workers. There have been reports about procrastination, cheating, and bribe-taking in some departments. Such ways should be mended in a timely manner and efforts should be made so people will come to rely on the administrative infrastructure. Learning from both the good and bad events of the past, efforts should be made with goodwill for the state. If this is done, the country will become prosperous in the near future. [passage omitted]

The ministers and the secretary-1 later proceeded to Yenangyaung after the meeting ended at 1500. [passage omitted]

The ministers and the secretary-1 then visited the technical high school and had a meeting with members of the township law and order restoration council, departmental officials, and oilfield workers.

Addressing the meeting, Lieutenant General Phone Myint said he was happy to have met responsible departmental officials and oilfield workers from Yenangyaung township. He said he would take this opportunity to explain the situation in the country to the public service personnel. Today, people who are envious of the stabilizing and tranquil situation in the country are infiltrating the young students and young monks and are encouraging unrest and disturbances. We urge them to stop these acts now. We took action [words indistinct]. We are able to crush the threat that emanates from inside the country and care very little about the threat that comes from the outside because we have the power to overcome that threat. The only thing we need is unity. However, there are people in our country who want to be slaves of these outside elements and wish to see the country disintegrate. This is why we have been going around explaining things in such detail.

We do not crave power. What we have been doing is striving with a nationalist spirit for the good of our own nationals. Hence, it is essential to have a clear understanding of what we are about. If we have bad intentions we will reap bad consequences, but our intentions are good and only good can come out of it. Only when there is security and peace in the country can we defend against the threat that comes from outside. It is vital to

remember that the strength of the country lies within the country, he said. [passage omitted]

Speaking on the occasion, the secretary-2 explained in detail the reasons for providing aid to towns, schools, and hospitals; the efforts made by the state to protect the interests of the peasants and the workers; the need for public service personnel to be free of corruption and to win the respect of the people; the need to expose destructive elements; and the need to draft a strong constitution before transferring power. He said that after drafting a strong constitution in accordance with the wishes of the people, power will be transferred to a government that emerges in accordance with that constitution. He said: We have frequently been saying that lessons should be drawn from the weaknesses and strengths of the 1947 and 1974 constitutions in drafting a strong constitution. If a constitution is drafted in a diffident fashion, there will be division among the nationalities and a situation where the country is about to disintegrate will emerge again. We will not tolerate such a situation from happening. We do not want a situation where the Defense Services will have to assume the power of the state again. We will work according to Declaration No. 1/90, and therefore, public service personnel and responsible departmental officials should work toward the development of the country. At the same time, efforts should be made at the grass-roots level to effectively promote the interests of the peasants and the workers.

The meeting ended at 1700. The ministers and the secretary-2 returned to Pagan Nyaung-u. They left Pagan Nyaung-u by military aircraft and arrived back at Yangon at 1930.

Brunei, Malaysia & Singapore

Singapore

Prospects for PRC-SRV Rapprochement Viewed

BK2409135090 Singapore THE STRAITS TIMES
in English 24 Sep 90 p 24

[Editorial: "As Close as Lips to Teeth"]

[Text] There was a slogan the Vietnamese were fond of using around the time of the war, first against the French and then against the Americans. It was that Beijing and Hanoi were "as close as lips to teeth". As far as slogans go, it was an unfortunate metaphor because, not too many years later, the teeth bit the lips rather hard when Vietnam invaded Cambodia and China responded with a desire to teach the invaders a lesson. However, slogans are like international politics in general: They express neither everlasting friendship nor undying hatred but only national interests. It is no doubt in pursuance of those interests that Hanoi now finds itself drawing closer to Beijing once again.

Earlier this month, three senior Vietnamese leaders—Communist Party General Secretary Nguyen Van Linh,

Prime Minister Do Muoi and former Premier Pham Van Dong—visited China secretly to repair ties which had been severely damaged by the 1979 war. Soon after, a public visit followed, this time by Deputy Prime Minister Vo Nguyen Giap, better known as the chief military architect of Vietnam's victory against France and the US. Expectedly, General Giap focused his visit on the revolutionary and nostalgic period of the country's independence struggle, when China was a special friend. Vietnam was grateful for China's support in those difficult times, he said, adding that both sides wanted to see relations normalised.

The reference to revolutionary history was not entirely inappropriate. China and Vietnam are two of the few remaining communist countries in the world and have an interest in co-operating to preserve their systems in the face of the dramatic overthrow of communist regimes in Eastern Europe. Any overtures from Vietnam emanating from a common ideological heritage are certain to be welcomed in a China where the Tiananmen affair was a reminder of the constant vulnerability of totalitarian systems to populist pressures. A related theory is that the secret trip to Beijing followed a power struggle in Hanoi, where hardliners are deeply worried about developments in the Soviet Union and Eastern Europe and, particularly, a cessation of most of the aid Hanoi has received from Moscow. Yet another explanation for the new warmth is that Vietnam desires good relations with China as a counterweight to its improving relations with the US, which remains an ideological adversary even if it is a strategic partner for the moment.

The immediate implications of a Sino-Vietnamese rapprochement would be felt in Cambodia. China's changed attitude to the issue, which has made possible both the UN Security Council's formulation of a Cambodian solution and the follow-up talks in Jakarta on the formation of a Supreme National Council, do indicate Beijing's desire not to let the Khmer Rouge stand in the way of better ties with Hanoi. In fact, some observers say that China has arrived at a deal with Vietnam in which Hanoi will get out of Cambodia in return for Beijing controlling the powerful Khmer Rouge. If this is true, it would be a development complementary to the deal the US and the Soviet Union so obviously have struck between themselves. To the extent that Sino-Vietnamese understanding brings a Cambodian solution closer to realisation, it should be welcomed.

The wider questions of how far such an understanding will go and what effect it will have on the Asia-Pacific security situation in general are open at the moment. In a sense, the regional security scenario itself is an open question given the breathtaking realignments under way globally. Good relations between China and Vietnam, though the impetus for these might be provided by the need to keep internal political systems going, do contribute to Asia-Pacific stability, especially if they can defuse a regional flashpoint such as the Spratly islands

dispute between the two countries. Lips and teeth do, after all, have a lot to do with the face of security in general. So for Asia.

Cambodia

Phnom Penh Official Rejects Sihanouk's Proposal

BK2509124990 Hong Kong AFP in English 1239 GMT 25 Sep 90

[Excerpts] Phnom Penh, Sept 25 (AFP)—A senior Phnom Penh government official Tuesday rejected a compromise proposal by resistance leader Prince Norodom Sihanouk on the formation of Cambodia's interim authority. [passage omitted]

He said a report by the Voice of America (VOA) radio that Phnom Penh had accepted the proposal was "misinformation," adding that the government here had not received any documentation from the resistance alliance. Reports from Bangkok had said that a resistance draft resolution aimed at restarting the stalled meeting had been sent to Phnom Penh for review.

Another official here said however that the Phnom Penh SNC [Supreme National Council] members were ready to fly to Bangkok within the next 48 hours if a breakthrough came. The first SNC meeting in the Thai capital last week collapsed over the chairmanship issue and never got round to discussing Cambodia's U.N. seat, which has been held until now by the resistance coalition.

(Thai officials and diplomats said in Bangkok that tentative plans were being made for peace talks between Cambodia's warring factions Thursday. But they cautioned that no decision had been reached as of late Tuesday.

(The guerrillas want guarantees that Phnom Penh is ready to accept the prince as head of the SNC, Cambodian and diplomatic sources said. "We want to have assurances that Phnom Penh definitely accepts Prince Sihanouk as the chairman without trying to get more concessions," a resistance source said.

(Diplomats said the resistance appeared determined to thwart a proposed reconvening here of the SNC if there were a risk that election of the prince would be subjected to further bargaining.)

The SNC, which is to take over the country's U.N. seat, was created with the aim of embodying Cambodian sovereignty until U.N.-organised elections are held. The U.N. seat has been effectively left vacant until October 18.

Before leaving Bangkok last Wednesday for here, Premier Hun Sen said he accepted Prince Sihanouk as chairman of an equally divided SNC, and added "then, the Phnom Penh side will be given the vice-chairmanship."

The prince has indicated that he would oppose the appointment of Mr. Hun Sen, 39, as his deputy.

The 68-year-old former Cambodian monarch, currently in Beijing, stayed away from negotiations in which the SNC was created and then named. But the resistance then demanded the SNC chairmanship for the prince, identified in a U.N. peace framework for Cambodia as the best choice for the leadership position. This led to a dispute and the collapse of the first SNC meeting, with the resistance rejecting a counter-demand by Mr. Hun Sen that his government be given an extra seat on the SNC. Prince Sihanouk, currently in Beijing, has now accepted the expansion to 14 seats in exchange for the chairmanship, and the factions have endorsed the compromise.

(In Beijing, diplomats said Tuesday that Prince Sihanouk was ready to leave for Bangkok pending a definitive agreement from the Phnom Penh government to his proposals. They said he would take the first available flight to assume the SNC chairmanship.

(A spokesman for the prince's office there said that as far as he knew the prince "had up to today received no invitation" but confirmed that the prince would likely accept such an invitation.)

The SNC was created under a plan devised by the five permanent members of the United Nations Security Council—the United States, the Soviet Union, Britain, China and France. The five include the main sponsors of the warring factions. China gives massive military aid to the Marxist Khmer Rouge, the main force in the resistance, while the United States provides non-lethal aid to the non-communist factions of the prince and former Prime Minister Son Sann. The Soviet Union is allied to Hanoi and Phnom Penh.

The peace plan calls for U.N. administration of Cambodia, ravaged by civil war for nearly a dozen years now.

Resistance Accuses Phnom Penh of 'Sabotage'

BK2609075990 Hong Kong AFP in English 0730 GMT 26 Sep 90

[By Charles-Antoine De Nerciat]

[Excerpts] Bangkok, Sept 26 (AFP)—Cambodian guerrilla factions Wednesday accused Phnom Penh of sabotaging the peace process, following its rejection of a compromise proposal by guerrilla leader Prince Norodom Sihanouk on the make-up of an interim authority for the country. One guerrilla official said here it "amounted to sabotage" of an agreement earlier this month in Jakarta where the Cambodian adversaries formed the authority, the Supreme National Council (SNC). He also accused the Vietnamese-backed government in Phnom Penh of "de facto rejection" of a United Nations-brokered framework to end Cambodia's 12-year-old civil war.

Squabbling between Cambodia's warring factions on the composition of the SNC led to the collapse last week in the Thai capital of the first meeting of the body. The continuing dispute ruled out the possibility of a resumption of the meeting here this week as had been tentatively planned, Thai officials said.

The blueprint provides for the setting up of the SNC to represent Cambodia at the world organization and giving the U.N. broad executive powers until elections are held.

Another guerrilla official said the guerrilla coalition joining the powerful Khmer Rouge, Cambodia's former Marxist rulers, with two smaller non-communist factions had already made many concessions, particularly in accepting that the SNC be equally divided between Phnom Penh and the resistance as a whole. "The more they (Phnom Penh) are given, the more they demand. This is standard communist tactics," he said.

Vietnam invaded Cambodia in December 1978 to overthrow a Beijing-supported Khmer Rouge radical Marxist regime and replace it with a client government which is also communist but less extreme.

Prince Sihanouk, in a bid to reactivate talks between the factions, proposed Monday that the 12-member SNC be expanded by two, with himself being named chairman and the Phnom Penh government being given an extra seat.

At the meeting which collapsed last week, Mr. Hun Sen had refused to accept the prince as a 13th member to chair the SNC, saying he should replace one of the six guerrilla representatives already named. But Cham Prasit, a vice minister in Mr. Hun Sen's office, said Tuesday that Phnom Penh was rejecting Prince Sihanouk's offer because it failed to include giving the premier the SNC vice-presidency. Mr. Hun Sen said last week at a press conference before returning home from Bangkok that he would accept Prince Sihanouk as chairman of an equally divided SNC, but added, "then, the Phnom Penh side will be given the vice-chairmanship." [passage omitted]

One guerrilla official dismissed any possibility of appointing Mr. Hun Sen as vice-chairman because, he said, "this is tantamount to granting recognition to a regime which has been installed by foreign troops." "Besides, he added, if Mr. Hun Sen were to become vice-chairman, then Mr. Son Sann and Mr. Khieu Samphan should also be vice-chairmen." Mr. Son Sann leads one of the two non-communist factions allied to the Khmer Rouge. The other is headed by Prince Sihanouk.

Mr. Khieu Samphan is the titular chief of the Khmer Rouge, although Pol Pot, Cambodia's ruler between 1975 and 1979 when hundreds of thousands died as a result of the secretive faction's radical equalitarian policies, is generally believed to remain in overall command.

Mass Meeting Expresses Support for Government*BK2609075890 Phnom Penh Domestic Service
in Cambodian 0430 GMT 26 Sep 90*

[Excerpt] A solemn mass meeting was held in front of the former royal palace at 0730 [0030 GMT] this morning by some 25,000 people from Phnom Penh city from all walks of life—including cadres, personnel, and workers of various ministries, offices, factories, and enterprises—to express their support for the stance of the State of Cambodia government and their opposition to the recurrence of the genocidal policy.

Also present at the grand meeting were Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and Supreme National Council [SNC] member; Comrade Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Mrs. Men Sam-an, member of the party Central Committee Political Bureau, chairman of the Cambodian Federation of Trade Unions; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the party Central Committee Control Commission; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, minister of national defense, and SNC member; Comrade General Sin Song, alternate member of the party Central Committee Political Bureau, minister of the interior, and SNC member; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh city party committee; Comrade Hor Nam Hong, minister of foreign affairs and SNC member; and other party Central Committee members, representatives of party, state, and mass organizations.

A representative of the Cambodian intellectuals read a motion as follows:

[Begin recording] We, intellectuals, like other Cambodians and the people of the world, want nothing more than true peace. The Cambodian people have for nearly 20 years been experiencing a chronic, protracted war that has caused untold loss in human lives and property.

We, Cambodian intellectuals, together with all Cambodians, express admiration for the goodwill of the State of Cambodia in the search for a political solution to the Cambodian problem. We have followed with great interest the talks at all international forums, including the JIM-1 and JIM-2 [first and second Jakarta Informal Meetings] of Jakarta, the Paris International Conference on Cambodia, and lately the Jakarta Informal Meeting on Cambodia. We are satisfied and overjoyed with all the successes achieved by the high delegation of the State of Cambodia. We regard them as a new, successful step in the sincere implementation of the national reconciliation policy and a goodwill gesture of our party and state in the search for a genuinely peaceful solution to the

Cambodian problem in accordance with the sacred aspiration of all Cambodians who earnestly desire a lasting peace so they can build and bring prosperity to their motherland.

Through the joint communique of the five permanent members of the UN Security Council, world public opinion, especially the opinion of progressive and peace-loving people, has come to see and understand even better the goodwill and correct stance of the State of Cambodia and has expressed greater support for us.

We, the Cambodian intellectuals, would like to sincerely support the national reconciliation policy and all party and state measures to eliminate the impasse in the search for a Peaceful solution to the Cambodian problem and agree with one another as follows:

1. We resolutely reject and oppose any decision or attempt in whatever form aimed at dissolving the present government of the State of Cambodia and demand that all countries wishing to solve the Cambodian problem respect the independence, sovereignty, and self-determination of the Cambodian people and refrain from interfering in their internal affairs.
2. We resolutely reject any solution that does not clearly mention preventive measures against the return of the genocidal Pol Pot regime, and we would like to welcome the handing over of the Cambodian seat in the United Nations to the delegation of the SNC, the sole legal representative of the Cambodian people.
3. We appeal to the SNC to resume its session to elect the council chairman and vice chairman, to decide on the dispatch of a delegation representing the SNC to attend the 45th UN General Assembly, and to resolve the question of a voluntary cease-fire.
4. We appeal to the intellectuals and famous personalities in the world and to all countries involved to render justice on the basis of the status quo of the State of Cambodia and to use their influence to bring an immediate end to foreign military aid for all Cambodian factions. Aiding Pol Pot means abetting in the crimes against and the killing of Cambodians. Giving aid to other parties allied to Pol Pot also means giving a shot in Pol Pot's arm and enabling him to continue massacring the Cambodian people.

The Cambodian intellectuals would like to thank the Kingdom of Thailand, Japan, Indonesia, and other friendly countries that have helped in the success of the Tokyo and Jakarta meetings and appeal to the opposition factions and all countries involved to most actively contribute to the effective implementation of the Jakarta joint statement so the war in Cambodia can be brought to an early and definitive end.

We, the intellectuals from all fields of expertise, would like to heighten our patriotism, believe in party leadership, strengthen the stance of resolutely fighting the enemy of all stripes, enhance our intellect and creativity, and fulfill all tasks entrusted by the party and people in the cause of steering the motherland and people away

from the danger of the genocidal Pol Pot regime and advancing toward social progress in conformity with the objective already chosen by our people. [applause] [end recording] [passage omitted]

SPK Reports

*BK2609124290 Phnom Penh SPK in English
1113 GMT 26 Sep 90*

[Text] Phnom Penh SPK September 26— About 25,000 workers, peasants, intellectuals, students, ethnic people and representatives of various ministries and public services rallied here this morning at the square in front of the former Royal Palace to voice their support for the government's stance in the quest of peace and protest against any attempt at bringing back the genocidal clique to Cambodia.

Present on the presidium, among others, were Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the Council of Ministers; Bou Thang, Politburo member of the party Central Committee, and vice chairman of the Council of Ministers; Mat Ly, Politburo member of the party Central Committee, and vice president of its Control Commission; Men Sam-an, Politburo member and president of Trade Unions; Tie Banh, Politburo member of the party Central Committee, vice chairman of the Council of Ministers and minister of national defence; Sin Song, candidate Politburo member of the party Central Committee, and minister of home affairs; Sim Ka, candidate Politburo member of the party Central Committee, and secretary of the Phnom Penh Party Committee; and Hor Nam Hong, foreign minister.

Members of the diplomatic corps and international organizations accredited to Cambodia were also on hand.

Representatives of workers, peasants, intellectuals, students and pupils, ethnic people and various ministries and public services spoke at the rally.

They expressed vigorous support for the good-will gesture of the government in the quest of real peace in Cambodia by trying to put an end to the protracted war and guarantee the prevention of the genocidal Pol Pot clique's return to power in this country.

They welcomed the joint communique of the recent Jakarta Informal Meeting, describing it as a successful effort of the Cambodian Government in implementing the policy of national reconciliation and rebuilding the country. However, they expressed regrets at the failure of the Supreme National Council's [SNC] first session, blaming it on the ill-intention of the opposition groups in blocking peace efforts and protract the war.

The speakers expressed full support for the good-will stance of the party and government in the search for peace for the people and protecting them from the threat of the genocidal Pol Pot clique. They urged the countries

concerned to cut off all arms supply to the Khmer warring factions, thus helping to stop the sufferings of the Cambodian people.

They voiced their strong protest against any attempt to dissolve the current Cambodian government and called on all countries concerned to respect the national independence, sovereignty, and the right to self-determination of the Cambodian people and not to interfere in their internal affairs.

They also supported the hand-over of Cambodia's seat at the United Nations to the Supreme National Council, and at the same time urged the S.N.C. to go on with another meeting to elect a chairman and to send a representation to the world body at the earliest possible time.

Taking the floor, Prime Minister Hun Sen denounced the Khmer opposition's trick to put a damper on every forum for a political solution to the Cambodian problem, especially at the first S.N.C. meeting held recently at the former Cambodian Embassy.

Prime Minister Hun Sen cited three possibilities approved by the Phnom Penh government: First, if Prince Sihanouk is made chairman of the S.N.C., then a member from the Phnom Penh side must be vice chairman; second, the S.N.C. may have co-chairmen—one from the Phnom Penh side and the other from the coalition side; and third, the S.N.C. may have alternative chairman.

On the composition of the S.N.C. representation to the U.N. General Assembly, he favoured the formula for an equal footing.

The rally was followed by an art performance by artistes from the Ministry of Culture.

Hun Sen Speaks

*BK2609083490 Phnom Penh Domestic Service
in Cambodian 0430 GMT 26 Sep 90*

[Speech by Hun Sen at "mass meeting to support the State of Cambodia's stance and to prevent the return of the genocidal policy" held "in front of the former royal palace" in Phnom Penh on the morning of 26 September—recorded]

[Summary From Poor Reception] I would like to thank everyone for conveying the petitions expressing support for the State of Cambodia's government. "Today is the first anniversary of the withdrawal of Vietnamese troops from Cambodia. It is an opportunity to show us clearly that one year after the complete withdrawal of Vietnamese troops from Cambodia, the State of Cambodia has stood firmly in the face of the enemy's offensives." Norodom Sihanouk predicted at the Paris conference that soon after the Vietnamese troop pullout, Hun Sen's government would disappear. "We hold the meeting here not to commemorate the Vietnamese troop pullout

from Cambodia; it just happens to coincide with the withdrawal on 26 August of last year."

My trips to Thailand led to the signing of a basic agreement with Thai General Chawalit Yongchaiyut on the establishment of a Supreme National Council [SNC]. Later on, there were efforts made by the UN Security Council to break the deadlock in the form of documents appealing to Cambodian parties to set up the SNC.

At the Jakarta meeting, after learning that Sihanouk would not attend the talks, "I admitted that I was cheated." At the meeting of the SNC in Bangkok, apart from discussing the election of the SNC chairman, we also wanted to talk about sending a delegation to the United Nations "because the Coalition Government of Democratic Kampuchea is no longer legitimate" there. "The United Nations has recognized the SNC as Cambodia's representative and therefore we cannot allow Democratic Kampuchea to sit there anymore. I would like to inform you that the seat at the United Nations is not occupied by the Pol Pot group and the other Cambodian side. It is being left vacant awaiting a delegation composed of half the members from Phnom Penh and the other half from the coalition government."

Before I left for the SNC meeting in Bangkok, I said we wanted a voluntary cease-fire and the end of military aid. I have said since Jakarta that "concerning the 13th member of the SNC, we have not reached a consensus on this." "We do not need Chea Sim or Heng Samrin as the 13th member, let alone Samdech Sihanouk. We need only 12 members." Within the framework of the SNC, I am one of the 12 members and cannot violate the law. "All of us are old enough—some are even too old—to understand this." I am only one of the members of the SNC and cannot act on behalf of Hor Nam Hong, Tie Banh, Sin Song, Chem Snguon, or Kong Sam-ol.

A few days ago Samdech Sihanouk said he had made concessions to Phnom Penh to include a seventh member to make up a 14-member SNC. "I do not understand this. We are the ones who made the concession." If Samdech Sihanouk wants to get into the SNC, "the other side, including Samdech Sihanouk, should propose this to Phnom Penh and indicate whether he wants to be included as the 12th or 14th member. Phnom Penh will not be the one to propose this. Phnom Penh again and again specifies that it will not do so."

"I would like to specify to other SNC members that Phnom Penh is not a child for others to dupe." "We welcome, support, and maintain the 12-member composition without Samdech Sihanouk. This is the solemn declaration to the nation and the world. If people want, they should officially move toward us."

We do not want to discard Sihanouk from a solution. Our policy is to eliminate the return of the genocidal Pol Pot regime and implement national reconciliation, including Samdech Sihanouk. "We were disappointed; we went to Jakarta with a position for Samdech Sihanouk as chairman of the SNC. However, the samdech

did not take part in the SNC." A few days ago, Son Sann and Khieu Samphan talked about the issue of electing the chairman but not the vice chairman. According to Thai officials, the other side said the Jakarta document does not talk about electing a vice chairman. "I replied that the Jakarta document also does not say anything about electing Sihanouk as chairman." We proposed three formulas: Sihanouk as chairman and we as vice chairman; the SNC with cochairmen; and rotation of the chairmanship. "We want the first formula; we have the goodwill and want Samdech Sihanouk to be chairman but an appropriate role should be given to the State of Cambodia's government."

Faced with the current situation, on behalf of the party and government, I appeal to my compatriots, regular and regional Armed Forces, the militia, and the people's police to heighten vigilance to prevent at all cost the enemy's territory-grabbing activities and the return of the Pol Pot group. "We should continue the fight. The enemies do not yet have the goodwill to end the war and to support a cease-fire."

Further on Speech

*BK2609070690 Hong Kong AFP in English 0635 GMT
26 Sep 90*

[Text] Phnom Penh, Sept 26 (AFP)—Cambodian Prime Minister Hun Sen Wednesday rejected the latest resistance stance on the make-up of the country's new interim authority, the Supreme National Council (SNC).

He told an estimated 25,000 people at a demonstration of mass support for the government: "Our position is that we maintain 12 members without (resistance leader Prince Norodom) Sihanouk", as agreed by the rival sides in Jakarta two weeks ago.

Mr. Hun Sen said that he had received a faxed message from the tripartite resistance with a programme for a resumed SNC meeting, following last week's collapse of talks in Bangkok in a dispute over Prince Sihanouk's role. The message earmarked Prince Sihanouk, who was not originally named as a member of the SNC, as president of the council but did not mention the vice president, he said.

Prince Sihanouk Monday said he accepted the idea of a 14-member SNC to include himself and an extra member of the government, provided he were made president. But the tripartite resistance made it clear it would not entertain Mr. Hun Sen's claim to be vice-president of the body, which is to embody Cambodia's sovereignty in the run-up to elections organised by the United Nations.

Mr. Hun Sen said three formulas were acceptable to his government: Prince Sihanouk as president with Mr. Hun Sen as vice president, two co-chairmen, or a single chairman rotated on a monthly basis. But he said that if the resistance wanted to expand the Supreme National Council (SNC) or include Prince Sihanouk "we must

receive a proposal." The prime minister reiterated that the prince should preferably replace one of the six resistance members on the council but could not become a 13th member as president.

Phnom Penh has previously said 14 members were acceptable so long as the government here received seven seats, while a 13-member format should only be adopted if all sides wanted it. But Mr. Hun Sen Wednesday said that Phnom Penh was ready to resume the meeting if the resistance abided by the Jakarta accord and its provision for 12 members. Mr. Hun Sen also said that he wanted the SNC to discuss the immediate implementation of a cease-fire, "but the other side insisted on discussing the presidency alone."

He was speaking a year to the day after the last Vietnamese troops in Phnom Penh headed home as part of a total pullout, nearly 11 years after ousting the Khmer Rouge and installing the present government.

Representatives of the intellectual, student, military and minority Cham Moslem communities also addressed the orderly crowd of workers, civil servants and students gathered in front of the royal palace grounds. They voiced opposition at any attempts to dissolve the government and rejected any decision that did not include preventing a return to power of the Khmer Rouge.

The Marxist group, now the military muscle of the resistance, killed hundreds of thousands of people from 1975 until it was ousted from power by Vietnam in January 1979.

The speakers also appealed to all concerned countries to help speed up the implementation of an immediate ceasefire.

Rebel, Government Troops Clash After 'Calm'

*BK2609024490 Bangkok BANGKOK POST in English
26 Sep 90 p 7*

[Text] Aranyaprathet—Fighting between Phnom Penh troops and resistance forces erupted opposite here yesterday morning, ending two weeks of calm.

Border sources said Khmer Rouge rebels joined Khmer People's National Liberation Front guerrillas in the four-hour attack on a government fire base, 10 kilometres from the border near Kop, Dang Aranh, Nimit and Soriya villages and the strategic Route 5. The two sides traded much artillery and mortar fire but no reports of casualties or damage were available.

Cambodian traders at blackmarkets opposite Non Mak Mun and Khok Sabaeng villages confirmed the resumed fighting but said they could still travel as far as 110 km on Route 5 to Battambang safely.

—In Ta Phraya, a group of about 10 Cambodian bandits abducted three Thai boys from Khok Raka village, three km south of Site-2 refugee camp, and later held one of them hostage in an unsuccessful call for ransom

yesterday. District chief officer Songkhram Kosuthithirakun said the bandits, armed with rocket-propelled grenades and AK-47 rifles, appeared to have come from Ban Choeng Doi fire base near the Banthat mountain range.

Man Phromsu, Tun (surname unknown) and Bunnam Swaisi, all 14 years old, were tending cattle when the Cambodian bandits took them away by force. Man and Tun were released to tell people at the border village, 15 km north of Ta Phraya, to bring 10,000 baht to buy Bunnam's freedom before the end of the day.

Phnom Penh Forces Reportedly Preparing Push

*BK2609133990 Hong Kong AFP in English 1304 GMT
26 Sep 90*

[Text] Bangkok, Sept 26 (AFP)—Cambodian Government forces are reinforcing themselves in preparation for a big push against Khmer Rouge-held Pailin, a gem-rich border town in northwestern Cambodia, a senior Thai Navy officer said here on Wednesday. Captain Manit Dimak, attached to the marine task force in Thailand's eastern border provinces of Chanthaburi and Trat, said Phnom Penh was redeploying its forces in all border provinces.

The government had strengthened its defensive positions during the rainy season now coming to an end to protect them against guerrilla attacks while its heavy equipment was rendered immobile by the flooding and deep mud.

Khmer Rouge leader Khieu Samphan, who attended a failed Cambodian peace meeting here last week, said before leaving the Thai capital that Phnom Penh forces were preparing to retake Pailin, but vowed that his guerrillas would stop the offensive. Pailin was overrun late last year by the Khmer Rouge, the military muscle of a guerrilla coalition fighting the Vietnam-backed government in Phnom Penh, shortly after Hanoi pulled its troops out of Cambodia. Vietnam invaded Cambodia 12 years ago to oust the Khmer Rouge, a radical Marxist group supported by China, and install a client government which is also communist but less extreme.

Capt. Manit said that in the past week fighting between the Khmer Rouge and government soldiers intensified around Khum Sneng, a township straddling Highway 10, which links Battambang, Cambodia's second largest city, and Pailin.

Khum Sneng is about 25 kilometres (15 miles) southwest of Battambang, while the Khmer Rouge have a stronghold at Phum Treng, another town on Highway 10 located some 20 kilometres (12 miles) southwest of the Khum Sneng battle zone.

Meanwhile, Thai Supreme Command spokesman Lieutenant General Narudon Detpradiyut said the Khmer Rouge and forces of its two non-communist allies loyal to Prince Norodom Sihanouk and former Premier Son

Sann, had stepped up attacks against government positions in Cambodia's central province of Kompong Thom. He also reported increased non-communist guerrilla activity in the Sisophon area, about 50 kilometers (30 miles) east of the Thai border, inflicting heavy casualties on Phnom Penh forces in that sector. The non-communist forces have also cut a number of government supply routes in Banteay Meanchey and northern Siem Reap-Oddar Meanchey Provinces, with more fighting and artillery exchanges reported near Svay Chek, a hamlet on Route 65 which runs parallel to the Thai border, some 25 kilometres (15 miles) inside Cambodian territory, he added.

Heng Samrin Returns From USSR Visit 25 Sep

*BK2609074590 Phnom Penh Domestic Service
in Cambodian 0430 GMT 26 Sep 90*

[Text] After staying and working for a period of time in the Soviet Union Comrade Heng Samrin, secretary general of the Kampuchean People's Revolutionary Party [KPRP] and chairman of the Council of State of the State of Cambodia, returned safely to Phnom Penh on 25 September.

Welcoming the comrade secretary general at the airport were Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the party Control Commission; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of Phnom Penh Party Committee; Comrade Kham Len, member of the party Central Committee and of the Council of State; Comrade Em Sam-an, alternate member of the party Central Committee and director general of SPK; and a number of cadres. Also present was Comrade Yuriy Myakotnykh, Soviet ambassador extraordinary and plenipotentiary to the State of Cambodia.

At the (?Soviet) airport, the comrade general secretary told Comrade Lukyanov, chairman of the USSR Supreme Soviet, that his stay and work in the Soviet Union were of great significance, contributing to consolidating the understanding and cooperation between the two countries.

Indonesia

Alatas Confirms Sihanouk as SNC Chairman

*OW2509233890 Tokyo KYODO in English 2319 GMT
25 Sep 90*

[Text] New York, Sept. 25 KYODO—Prince Norodom Sihanouk has been named chairman of the Cambodian Supreme National Council (SNC), Indonesian Foreign Minister Ali Alatas said here Tuesday.

Alatas told Japanese Foreign Minister Taro Nakayama that an agreement also has been reached on setting the number of SNC members at 14, a Japanese spokesman said. Alatas also said in the 45-minute meeting with

Nakayama in the United Nations that the second SNC meeting will be held in the near future. The Japanese spokesman quoted Alatas as saying that Indonesia has started talks with France on a proposed peace conference in Paris to be held at an early date.

Alatas pledged to cooperate closely with the four other permanent members of the U.N. Security Council—the United States, the Soviet Union, China, and Britain—to get the Cambodian peace dialogue moving. He also sought contributions from Japan, the country chairing the reconstruction committee in the Paris conference, the Japanese official told reporters.

British Minister Views Strategic Oil Reserves

*BK2109152290 Hong Kong AFP in English 1509 GMT
21 Sep 90*

[Text] Jakarta, Sept 21 (AFP)—Organization for Economic Cooperation and Development (OECD) countries do not yet need to tap strategic reserves, British Energy Minister John Wakeham said here Friday. "There is no reason why production should not rise to meet the shortfall in (oil) production" caused by the gulf crisis, Mr. Wakeham said here at the end of a three-day visit to Indonesia. However, he said, oil companies should use their commercial reserves "to smooth the situation" until oil-producing countries could compensate for the shortfall.

Mr. Wakeham said Jakarta had assured him that it would progressively increase its oil production. Indonesia is the only Asian member of the Organisation of Petroleum Exporting Countries OPEC).

An official here said Jakarta would boost production to 1.4 million bpd [barrels per day] in October and to 1.5 million bpd at the beginning of the year.

The Paris-based OECD is made up of almost all of the world's free-market countries.

Oil industry sources said Jakarta had been producing less than its 1.3 million bpd OPEC quota. Iraq and Kuwait produced four million barrels of oil per day (bpd) between them before the crisis.

Mr. Wakeham visited several petroleum, gas and coal projects which were financed with as much as 50 million pounds sterling (93.5 million U.S. dollars) in British credits. Mr. Wakeham, who was invited to Jakarta by his Indonesian counterpart, Ginanjar Kartasasmita, also talked to President Suharto and offered Britain's help with nuclear projects. Jakarta plans to have its first nuclear power station operating in 2005 and is investigating a site but the contractor to build the plant has not yet been nominated.

Oil Company Chief Reveals Debts, Reserves

BK2409100690 Jakarta ANTARA in English 0840 GMT
24 Sep 90

[Excerpts] Jakarta, Sep 24 (OANA-ANTARA)—President of the state-owned oil and gas company Pertamina Faisal Abda'u disclosed here Monday [24 September] that his company's total debts up to June 30, 1990 stood at 2.8 billion US dollars, 16 billion yen, and 252.41 million rupiah (one US dollar = 1865 rupiah). The figures would be increasing if Pertamina constructed other new projects, Abda'u told a parliamentary hearing with the House Commission VI, chaired by M.S. Situmorang.

Abda'u also disclosed that under the recent financial statement, Pertamina gained gross profit of 1.862 trillion rupiah and after being deducted by the debt repayment to the government, dividends and taxes, the company would have a net profit of 876 billion rupiah for the 1989/1990 fiscal year. However, he went on, Pertamina are currently still repaying its debt installments as scheduled and so far the company had never postponed its debt repayments. According to him, Pertamina, under the decision of the Financial and Development Supervisory Board (BPKP) was declared as unqualified opinion. [passage omitted]

Queried by a member of the House Commission VI, Abda'u said that Indonesia's current oil reserves reached a total of 48.3 million barrels, consisting of oil reserves per January 1, 1990 of 10.9 million barrels and oil mortgage reserves of 37.3 million barrels. He further said that foreign investment in oil and gas in the country had been increasing from time to time. In 1988, the total foreign investment in oil and gas explorations reached 1.9 billion US dollars, and the figures rose to 2.4 billion US dollars the following year, and this year the total foreign investment reached 3.4 billion US dollars.

Laos

Foreign Minister Addresses Paris UN Conference

BK2509093090 Vientiane Domestic Service in Lao
1200 GMT 21 Sep 90

[Report on speech by Foreign Affairs Minister Phoun Sipaseut to the Second UN Conference on Least Developed Countries in Paris on 10 September]

[Text] On 10 September 1990 Phoun Sipaseut, Council of Ministers vice chairman, minister of foreign affairs, and head of the Lao People's Democratic Republic [LPDR] delegation, delivered a speech at the second UN conference on least developed countries, which was held in Paris from 3 to 14 September. In his speech, Phoun Sipaseut noted:

Over the past 10 years, the socioeconomic situation in various underdeveloped or least developed countries has deteriorated further. For example, the average income

per capita has decreased; the average rate of economic development was at 2.3 percent per year; and the average rate of population increase from 1980 to 1987 was at 2.6 per year. At the same time, the gross national product per capita of those countries has also dropped as a result of serious natural disasters, the worsening of environments, and the difficulties connected with the transit of goods. Over the past two years, there was also an extended delay in the development of some of those countries.

Regarding the economic situation in our country, Phoun Sipaseut said: Over the past 10 years, our Laos economy has developed at the average rate of 4.5 percent per year as compared to those in many other underdeveloped or least developed countries in other regions. Along with this, our country has also faced difficulties in many fields, such as natural disasters, the failure to expand production to meet the requirements, the trade deficit, and so forth, as a result of which the people have continued to experience needy, difficult circumstances in their daily life.

To encourage the ever firmer economic development, the Lao Government has adopted a new economic management guideline—namely, a new economic management mechanism, which was experimentally implemented in 1986 and put into practice nationwide in 1988. In the following years, highly determined to pursue this new economic management policy, Laos has achieved considerable progress in carrying out the economic reform. In the immediate future, the Lao government intends to pay special attention to utilizing, ever more effectively, natural resources and funds; improving, boosting, and promoting the agricultural production; concentrating on building small-size irrigation projects and improving the existing irrigation system for use in its full capacity; concentrating on premeditatedly preserving and exploiting forests; promoting the wood processing industry and systematically reducing the slash-and-burn cultivation; improving the communications system throughout the country to be capable for use in all seasons; promoting the production of goods for export; raising to an ever higher level the quality of educational work; and taking care of the people's health, in particular providing clean drinking water for those people in rural areas.

Phoun Sipaseut added: The international community should take into consideration a geographic obstacle and pay special attention to least developed, landlocked countries facing that obstacle. Neighboring countries with access to the sea should assist and cooperate with those landlocked countries by simplifying steps in dealing with documents and reducing the excessively high cost of goods transportation.

The vice chairman of the Council of Ministers also conveyed thanks to various friendly countries and international organizations as well as private organizations for their assistance and cooperation given to the LPDR in implementing the policy of broadening international

cooperation on the basis of the principle of mutual benefits. He expressed the hope that they will further render cooperation, assistance, and support in various fields to the LPDR in the future. In conclusion, Phoun Sipaseut said: Wealthy and impoverished countries should unite and effectively assist each other to serve the profound requirements of the people in each country.

Three-Day Environment Seminar Opened 24 Sep

OW2509142190 Vientiane KPL in English
0924 GMT 25 Sep 90

[Text] Vientiane, Sept 25 (KPL)—A seminar on environment was opened here on Sept 24 by the Ministry of Science and Technology in collaboration with the Institute of Natural Resources and Environment. It was attended by more than 50 officials from various ministries and enterprises in Vientiane Prefecture.

The seminar is aimed at giving the participants more knowledge on the environmental protection in Laos and on other important measures to be taken for the protection of environment in the future.

The seminar received a \$2,800 fund from the U.N. It will last three days.

Philippines

Reportage on U.S. Bases Issue Continues

Workers Stage Antibases Rally

HK2109123790 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 21 Sep 90

[Text] Yet another antibases demonstration was staged by workers in front of the Marikina municipal hall. According to a report by the DZMM radio patrol, the antibases workers included employees of a tobacco manufacturing firm, a kitchen utensil factory, and a textile plant. The protest movement attended by some 800 workers was described as peaceful.

Aquino: Subic Access Negotiable

HK2509034390 Manila THE MANILA CHRONICLE in English 25 Sep 90 p 1, 8

[By Lito Zulueta and Redempto Anda]

[Excerpt] President Aquino said yesterday the United States request for continued though reduced use of the naval facilities at Subic after 1991 was "negotiable." But the President was firm on the Philippine position to take "sovereign control" of Clark Air Base and four smaller American military facilities when the bases agreement expires on September 17, 1991.

She told a Malacanang press conference the Philippines had made it "very clear" to the US panel when the bases talks resumed last week that it "wanted back" Clark, in Pampanga; Camp John Hay, in Baguio City; Wallace Air

Station, in San Fernando, La Union; the US naval communications station in San Miguel, Zambales; and the US naval radio station in Capas, Tarlac.

The President's statement strongly indicated that the Philippines was moving toward a new treaty with the US that would extend the American military presence at least in Subic. [passage omitted]

Clark Withdrawal Wanted in 1 Year

HK2609113990 Hong Kong AFP in English 1134 GMT 26 Sep 90

[Text] Manila, Sept 26 (AFP)—The Philippines has told the United States it wants joint use of Clark Air Base by January and American troops completely withdrawn from the base in 12 months, a top negotiator on the issue said Wednesday.

Manila wants to convert Clark into a "civil aviation complex" when the U.S. lease on military bases in the Philippines runs out on September 16, 1991, Health Secretary Alfredo Bengzon told reporters here. But he said Manila would be willing to consider the handling of American military cargo at Clark "on a commercial basis," adding that Soviet cargo would also be allowed.

Mr. Bengzon is vice-chairman of the Philippine panel involved in negotiations with the United States on the future of Clark and Subic naval base, the two largest overseas American military facilities. He is also considered a close advisor to President Corazon Aquino.

A second round of talks on the bases issue ended last week. Talks are to resume next month.

Philippine negotiators had demanded that Manila regain full control over Clark and agreed to discuss U.S. proposals for a gradual "phasedown" of U.S. forces and commercialization of certain facilities at Subic.

Transportation Secretary Oscar Orbos recently went to the United States and talked with officials of Boeing and other groups "with the end ... of getting them interested in participating" in the planned aviation complex, Mr. Bengzon said.

"We have proposed that starting January 1991, our own Air Force starts to make use of Clark facilities," Mr. Bengzon said. He added that Foreign Secretary Raul Manglapus had proposed that Clark "be handled perhaps on a commercial basis," and that Manila "would not like any more foreign combat troops after September 1991."

Mr. Bengzon said the Philippine Constitution states that foreign troops should not be allowed in the country after 1991, except under a new treaty.

He added: "Maybe it's time for you to think of key words as we move towards taking over. Those two key words are 'Philippinized' and 'civilianized'." He added that in

the event of the Philippine takeover of Clark, the facility would be used to handle "air cargo needs just like Cathay Pacific, Boeing."

Asked whether military cargo would be allowed, Mr. Bengzon said: "We are willing to consider that." He added that cargo from the Soviet Union will also be allowed since he said this was already the "age of multilateralism and not bilateralism."

Meanwhile, U.S. authorities at Subic and Clark partially lifted a ban on off-base travel by servicemen earlier thought to be the targets of communist guerrilla attacks, a spokesman said.

"Liberty restrictions have been partially lifted" at the facilities, near Manila, allowing about 16,000 American troops to visit certain areas near the base, the Subic spokesman said.

However, an 11:00 P.M. to 6:00 A.M. curfew remained in force at Subic and Clark, he added. The spokesman declined to specify which areas were open to the servicemen, citing security reasons.

At Angeles City, just outside Clark, travel restrictions were loosened with servicemen now allowed to leave the base but limited to a five kilometer (eight mile) stretch fronting the base's main gates, a Clark spokesman said here.

About 50 American servicemen could be seen venturing outside the base for the first time after the travel restrictions were imposed just before the start of the second round of U.S. bases talks earlier this month.

U.S. authorities were concerned by threats of attack by guerrillas of the communist New People's Army (NPA).

The founder of the banned Communist Party of the Philippines (CPP), Jose Maria Sison, claimed in a statement published Tuesday that the bases talks were meant to deceive Filipinos since Manila has already granted U.S. forces access to the facilities after the current lease runs out.

WB Grants Earthquake Rehabilitation Loan

*HK1309075190 Manila MANILA BULLETIN
in English 13 Sep 90 p 25*

[Text] The World Bank (WB) has approved a \$125-million "stand alone" emergency loan to the Philippines to partly finance rehabilitation projects in earthquake-stricken areas in Luzon. A WB mission is now in the country finalizing the documentation of the quick-disbursing loan.

The bank had earlier committed not only to hasten the processing of the Philippines' loan request "within 90 days, counting from the date of the July 16 earthquake," but also to "retroactively" finance actual expenditures already made by the government in its rehabilitation efforts.

In talks conducted with the Philippine debt negotiating panel in Washington D.C. last August, WB officials also pledged to arrange for the cofinancing of its assistance to the Philippines to raise a total of \$500 million in quake-related loans.

The International Monetary Fund (IMF) had earlier agreed to match the WB's emergency loan to the Philippines, and had committed to facilitate the approval and disbursement of loan proceeds.

The WB and IMF were among the first of the multilateral financial institutions, together with the Asian Development Bank (ADB), to respond to the appeal of the Philippines for additional assistance in the wake of the earthquake that cost the lives of thousands and devastated multi-billion pesos worth of public and private properties.

Finance Secretary Jesus P. Estanislao, co-chairman of the Philippine debt negotiating panel, said earlier that the Philippines could tap some \$800 million in foreign resources to finance the three-to-five-year rehabilitation reconstruction program in areas damaged by the earthquake.

Government To Press for Negotiated Debt Relief

*HK2509052990 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 25 Sep 90*

[Text] President Corazon Aquino announced that the government will continue with its policy of negotiated debt relief even if foreign creditor banks have rejected a proposal for interest exemption on commercial debts. According to the president, Finance Secretary Jesus Estanislao has presented a Philippine proposal on foreign debts repayment to the International Monetary Fund and the Japanese Finance Minister.

However, the president's decision runs counter to a Catholic Bishop Conference of the Philippines proposal which called on the government to dismiss debt relief measures and instead, to channel government funds for rehabilitation and relief efforts following the destruction of the 16 July earthquake.

Meanwhile, the president also reported that the Philippine delegation has presented a proposal for interest exemption on commercial debts to foreign creditor banks. The Philippine delegation is composed of Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia who are now in New York to negotiate with creditor banks.

The president said that based on a report by Estanislao, he has explained the country's predicament caused by natural calamities to foreign creditors. At the same time, the president said she will contact foreign leaders to seek concession on the country's foreign debts.

Aquino Characterized as 'Lame-Duck Leader'

HK2609043990 Manila THE MANILA CHRONICLE
in English 26 Sep 90 pp 1, 6

["Analysis" column by Amando Doronila: "Longest Reigning Lame-Duck Leader"]

[Text] In one more of those banal remarks from the presidency, Mrs Aquino the other day told Malacanang reporters that she was not a lameduck President, adding that she planned to endorse a "Cory's choice" candidate for president in 1992. The implication is that her endorsement would be a crucial element in the 1992 election.

This followed a speech last week to the Laban ng Demokratikong Pilipino [LDP—Struggle of Philippines Democrats] in which she had said that whoever saw her as a lameduck president "might just have another think coming," thereby titillating speculation that, despite her previous disavowals, she might stand again. "Let them speculate," she said.

Then, on Saturday, President Aquino told an assembly of neighborhood leaders: "Our critics tell us that President Aquino will not last much longer. I vow that I will not resign and will stay in office until the end of my term."

All these statements must be taken together because they illustrate a presidency under siege—a presidency pushed to the wall by the rapid sweep of events, especially the fallout on the economy of the Gulf oil crisis. Her remarks tell us that her response to social unrest engendered by the economic crisis is made up of rhetorical ploys declaring she is tough. If these are all she can offer to steer the nation safely through the turbulence until 1992, I am afraid her rhetoric is pathetic.

The issue raised about her being a lameduck is crucial. It addresses her style of leadership—which is non-interventionist—and is the key to her problems of being powerless to control events in an office that is historically and traditionally a dynamo of power.

Normally, in the Philippine and American cases, the last two years of the President's term are considered his lameduck years. This is so because his capacity to influence such institutions as Congress on key legislation wanes and the presidency diminishes as a center of alliance-building. The reason behind this is that there is no logic for congressmen and local political leaders to build their political future on a President who is stepping down shortly. The lameduck years are the time to construct new alliances.

But this does not mean that the President becomes entirely powerless and unable to influence events. There is in the presidency sufficient residual powers, as well as control of state resources (e.g., patronage), that are considered vital for the electoral chances of a congressman, a governor, a mayor or even a senator. These resources remain in the presidency for as long as he or

she stays in office. In a political system with a strong element of patronage, control of these resources is even more important. In this sense, it is unwise to consider Mrs Aquino a lameduck president.

The congressmen, the governors and the mayors know this. They know that, while the President's popularity has taken a crash dive in Metro Manila and in some urban centers, she has retained a reasonably high popularity rating in the provinces—although there has also been a decline in her provincial rating.

More important is the weight of a presidential endorsement of an heir-apparent to the presidency, especially if the president leaves an impressive performance. If an outgoing president is extremely unpopular, no one seeks his endorsement; it is tantamount to a kiss of death.

The theory of a lameduck presidency with waning powers towards the end of its term cannot be applied to Mrs Aquino because she has always been a lameduck president since the first week from her investiture at Club Filipino in February 1986.

Since the start, she has put a handicap on herself by refusing to use the vast powers of her office to launch initiatives for social and political reforms. When, during the first few months of her accession to power prior to the adoption of the new Constitution, she shunned using her emergency and revolutionary powers to substantiate expectations for reforms from the EDSA (Epifanio de los Santos Avenue) multitudes, she proclaimed to the entire world that she was a voluntary lameduck and that she defined the character and style of her presidency as one in which a lameduck would absolutely be happy. Indeed, defying political tradition and seeking sanctuary in political naivete, Mrs Aquino, during the past four years, has generally served as a president who does not govern. She has been visible as a symbol of state, an ornament in the seat of power, unable to use the levers of power. In effect, she transformed herself into the longest-serving lameduck president in the history of the Republic. She has also transformed the presidency into the most impotent political office in the land.

Her refusal to exercise the powers of the presidency was the beginning of her troubles and the perception of weakness, vacillation and drift. The tradition of the Philippine presidency pulsates with interventionism—from Quezon to Marcos—and, when Mrs Aquino grafted into it a passive role, there was right away a dissonance between a system that requires and expects a strong president and an occupant who believes that the system will work by itself, without any assistance.

Because of her popularity, the Filipinos tolerated this idiosyncratic element in their political system until the Aquino government began to be buffeted by coup attempts and to stumble from one crisis to another. For a while, she got the Filipinos used to her lameduck style, but the people were shocked out of their stupor—fostered by their intoxication over the People Power phenomenon—that coups, rebellions, landlord power,

human rights violations, social injustices and widespread poverty cannot be fought and overcome by lameducks.

Nearly at the end of her term, Mrs Aquino has discovered a revelation—she is not a lameduck. This is a rude reawakening. She better not remain a lameduck because the economic and social crisis from the repercussions of the Gulf conflict requires a presidency that can respond to it with an armory of options.

Facing this crisis requires more than just preparing the ground for "Cory's choice" for her heir in 1992. If by not being a lameduck she means merely that she has the power to endorse a successor, then we might not even have an election in 1992.

Explosion at Manila Coca Cola Bottling Company

*HK2609032790 Quezon City Radyo Ng Bayan
in Tagalog 0300 GMT 26 Sep 90*

[Text] An explosion occurred at dawn today at the Coca Cola bottling company in Paco, Manila. According to Western Police District [WPD] Patrolman Edilberto Capacipe, the explosion occurred at about 0420 early this morning and destroyed the ammonia compressor room's roof. No one was reported injured in the explosion. Here is WPD Patrolman Capacipe:

[Begin Capacipe recording] Some witnesses said that this was hurled from a passing white Hi-Ace van moving to the direction of Nagtahan Bridge. When hurled, it [not further specified] fell inside the Coca Cola bottling company's gate 4, right beside the power house generator. This was not severely damaged, but it resulted in the destruction of a part of the ammonia compressor room, which was just opposite the exploded area. The explosion ruined some of the iron metal sheets around the company's standby generator. [end recording]

Further on Explosions Reported

*HK2609103390 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 26 Sep 90*

[Text] A security guard was seriously wounded when two explosions occurred separately in Quezon City and Manila at dawn today.

The first explosion occurred at about 0355 early this morning at the Pepsi Cola bottling company's warehouse on Aurora Boulevard, Quezon City. It was learned from the report of Jess Garcia of DZRH mobile unit 19 that a powerful type of bomb was used by the still unidentified suspects at the warehouse because of the damage caused.

The second explosion occurred at the Coca Cola bottling company in Otis Street, Pandacan, Manila. A security guard identified as a certain Domingo was reported wounded in the incident, which occurred at about 0420 this morning. Based on the report of DZRH Mobile 8,

Resty Dequiros, the suspects allegedly used a pillbox [homemade bomb] in the explosion at the soft drinks powerhouse.

Earlier, the authorities found four Molotov bombs in front of the Lung Center at about 0200 at dawn today.

A student, meanwhile, received a bomb threat at about 0105 this morning at the University of the Philippines, Diliman, Quezon City. Authorities did not find any bomb at the Yakal dormitory, Magsaysay Avenue in the said place.

Although no one has been accused of the bombings, it is suspected that these were perpetrated by the rightist rebels or elements of the Reform the Armed Forces Movement.

In related news, a powerful explosion rocked the Pepsi Cola bottling company's warehouse on Aurora Boulevard at 0355 this morning. Based on the report by Jess Garcia of mobile unit 19, it was learned that a powerful type of bomb was placed by the unidentified suspects in a deep well inside the company's compound. No one was reported injured or wounded in the incident, in which the rebel soldiers are the suspects. Jess Garcia interviewed Sergeant Gallego of the Philippine Constabulary's bomb disposal unit and here is a part of the interview:

[Begin recording] [Gallego—in progress]...idea on the type of bomb because we could not find any evidence.

[Garcia] Sir, this bomb, was it not powerful, based on your investigation?

[Gallego] I think they used high explosives because even that steel was curved.

[Garcia] Was there a report of injuries?

[Gallego] There was no one injured here. [end recording]

On the four Molotov cocktails found by the authorities in front of the Lung Center of the Philippines at about 0310 this morning, a certain Sergeant Bagara was interviewed by Jess Garcia of DZRH unit 19, and here is part of the interview:

[Begin recording] [Bagara] A car bomb Molotov, Molotov.

[Garcia] Did it have a time bomb.

[Bagara] None.

[Garcia] From your point of view, how do you defuse this.

[Bagara] You just ignite it, then throw it.

[Garcia] But this has no timer?

[Bagara] None.

[Garcia] So, this is not really dangerous as long as it is not ignited.

[Bagara] If it is not ignited, it is not dangerous. [end recording]

Apart from these two explosions at the two soft drinks companies, Pepsi Cola and Coca Cola, authorities found another bomb inside the Motorola Philippines compound last night. This is a multinational company manufacturing semiconductors and integrated circuits. The bomb, fortunately, did not explode. The plant and offices of the company are located at the South Superhighway in Paranaque. A company official clarified that Motorola is not owned by the Concepcion family, but is a multinational company.

Meanwhile, this morning, another bomb was defused by bomb disposal unit members at Unisem, also a semiconductor and integrated circuits manufacturer, and located inside the Food Terminal Incorporated compound, not far from Motorola Philippines.

Foreign Symbols Apparent Targets

HK2609065790 Hong Kong AFP in English 0553 GMT 26 Sep 90

[By Jean-Francois Bonnet]

[Text] Manila, Sept 26 (AFP)—A bombing campaign here has apparently shifted to foreign symbols, with Coca Cola and Pepsi Cola attacked Wednesday following blasts at the weekend in the Nikko and Mandarin Hotels, police and observers said.

Explosive devices were also discovered and disarmed at the local subsidiary of the U.S. semi-conductor firm Motorola late Tuesday, police said.

The shift to targets with foreign connections has triggered anxieties in the estimated 100,000-strong foreign community in Manila and further damaged the tourism industry in the country, tourist operators said.

In the aftermath of a bloody but unsuccessful coup attempt against President Corazon Aquino led by "ultra-rightist" rebel officers more than 50 devices have exploded since the beginning of the year, causing damage and injuries, official sources said.

Defense Secretary Fidel Ramos said Tuesday that "most of the bombs fell under ultra-rightists rebels, some on the far-leftist underground communists and others were coming from extortionists."

Targets have mainly been prominent businesses belonging to the country's ruling elite, particularly interests of the family of Trade Secretary Jose Concepcion.

The recently targetted Philippine affiliates of foreign interests are actually controlled by other prominent businesses. Coca Cola is operated here by San Miguel, the country's leading private industrial company, run by

the Soriano family. The blast at the soft drink plant caused some damage but no casualties, police said.

Unidentified men threw a bag containing dynamite and plastic explosive at the front gate of Motorola Philippines in the suburban Manila district of Paranaque late Tuesday, but the device did not explode and was defused by police. The attacks followed explosions which damaged rooms at the Japan Airlines controlled Hotel Nikko Manila Garden and the Asian-European controlled Mandarin Hotel in the Makati financial district on Sunday.

A leading rebel officer, cashiered colonel Gregorio Honasan, recently acknowledged responsibility for a series of bombings targetted at a leading Chinese-Filipino tycoon, Domingo Lee, a known partisan of Mrs. Aquino. Reliable sources said many of the bombings were followed by blackmail attempts, although no official confirmation was obtained.

Despite the rising uncertainties, Mr. Ramos has expressed confidence in the government's stability, telling foreign correspondants Tuesday that "the majority of our people are not supporting these military rebels" who simply want "to grab power."

Reaction to Kintanar's Press Statement Reported

De Villa Denounces 'Threat'

HK2509101990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Sep 90

[Text] AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa strongly denounced the latest threat issued by the alleged New People's Army [NPA] chief of staff Romulo Kintanar to intensify the movement's offensive operations in earthquake-affected areas and in Metro Manila. In a press statement, De Villa described Kintanar's threat as proof of his utter insincerity as well as refusal to return to the fold of the law as a means of achieving peace in the entire country. Kintanar's move also demonstrated a blatant disregard of the people in these areas where reconstruction and rehabilitation is greatly needed. Consequently, De Villa said that Kintanar has declared himself an enemy of the people.

AFP Spokesman Colonel Juanito Rimando read the statement by General de Villa.

[Begin recording in English] Since he makes a mockery of the manifest desire of the people for peace, clearly he has declared himself an enemy of the people. It is entirely possible that Kintanar and his group in the leadership of the CPP [Communist Party of the Philippines]-NPA-NDF [National Democratic Front] are intent to exploit the current crisis to gain some advantage in pursuing their so-called politico-military strategy, which is aimed at creating an atmosphere of insurrection in urban centers, particularly Metro Manila. [end recording]

Meanwhile, De Villa also assured the public that the AFP will continue to be on alert against any situation that may be brought about by the statement of Kintanar.

[Begin recording in English] Since the AFP is aware that Kintanar represents only a segment of the leadership of the CPP-NPA-NDF and there are others who have indicated their desire for a peaceful solution to their insurgency, we will continue to support the current peace process and remain committed to the pursuit of a genuine and lasting peace for our people. However, the AFP assures our people that it will continue to be vigilant and prepare to deal effectively with any situation that the Kintanar statement may bring about. [end recording]

Meanwhile, in a related development, PC-INP [Philippine Constabulary-Integrated National Police] antiterrorist teams were formed in various provincial commands by PC-INP Region 4 Commander Brigadier General Evaristo Carino with a view to defending the people against any forces out to topple the government. This followed a statement by NPA chieftain Romulo Kintanar vowing to intensify offensive actions against the AFP.

Here is a statement by General Carino.

[Begin Carino recording in English—in progress] ...directed the provincial commands and the operation centers here to prepare the contingency plans and several scenarios like the right and the left... [changes thought] We have prepared for these things. Regarding this statement of Kintanar directing all their field units to conduct offensives against the military, we have also prepared for these things. In fact, our provincial commands, our line companies have been conducting preventive measures. And we welcome their...if they really want to come out and fight, we welcome combat very much. [end recording]

Gomez: Limited Truce To Hold

HK2509063190 Quezon City Radyo Ng Bayan in Tagalog 0600 GMT 25 Sep 90

[Italicized portions in English]

[Text] The government expects the limited cease-fire in earthquake-affected areas to remain in force. This was announced by Press Secretary Tomas Gomez III in the Radyo ng Bayan program "Clarifications and Opinions" following a New People's Army [NPA] statement that they will resume hostilities. According to the press secretary, the government could not understand why other issues are brought into the issue of cease-fire in earthquake-affected areas.

[Begin Gomez recording] First of all, we are not sure of the veracity of that NPA announcement on withdrawal from the cease-fire accord. Secondly, why are we dragging in other issues? We are talking about cessation of hostilities in earthquake-affected areas. And now, they

are bringing in issues on the military bases and the increase in oil prices. *I think that is being unreasonable. But let me put it this way: Regardless of what they, regardless of their offer of a cease-fire in the beginning, the fact is that the government has already had in place and operating successfully its own national reconciliation and development program. So given that this report is true, that will not deter the government from proceeding with its own peace process.* [end recording]

Meanwhile, the military will continue to observe the cease-fire policy in earthquake-devastated areas and Metro Manila. AFP [Armed Forces of the Philippines] acting chief Major General Rodolfo Biazon made the announcement even as the New People's Army has announced withdrawal from the cease-fire accord. Yesterday, NPA leader Romulo Kintanar declared that they will resume attacks in earthquake-affected areas because of the government's lack of sincerity to search for lasting peace.

President Aquino announced a few weeks ago the implementation of a limited cease-fire in Metro Manila, Baguio City, Benguet, Mountain Province, and Nueva Vizcaya.

In a related development, Justice Secretary Franklin Drilon will convene the Cabinet's Cluster E group and peace advocates in the light of the new developments.

Military Monitoring Oil Price Increase Effects

HK2109114690 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Sep 90

[Interview With Brigadier General Emiliano Templo, deputy chief of staff for Civil Military Operations, by Eloi Aquino from Camp Aguinaldo—live—italicized portions in English]

[Excerpts] Let us find out from Brig. Gen. Emiliano Templo, deputy chief of staff for Civil Military Operations, what steps the Armed Forces of the Philippines [AFP] are taking as a result of the increase in oil prices.

[Aquino] Sir, what measures are the AFP undertaking because of this ERB [Energy Regulatory Board] announcement?

[Templo] First of all, Eloi, good afternoon to you Joe [Taruc] and good afternoon to your thousands of listeners.

[Taruc] Good afternoon General.

[Templo] With regard to Eloi's question, *our Armed Forces of the Philippines is closely watching any adverse implication of the increase of prices of oil and the adverse implications might come in the form of massive demonstrations, transportation strikes, and the like. The Armed Forces is ready to cope with any of these destabilizations or any of these adverse results of the price increase.* [passage omitted]

[Taruc] General, what means are you employing in order to face these impending problems, like for example, widespread protests?

[Templo] Uh, we already have means, Joe. *I just don't have to mention it in detail because this is confidential in nature. What I mean is, this is a military operation and therefore we should not be talking about it. But it's enough to say that the Armed Forces is, as I mentioned awhile ago, about two weeks ago have been preparing and all the steps to be undertaken are all ready. Like for example, starts with condition one, and if it will deteriorate further, it will go to another condition and we have a corresponding response for each of these conditions. I would like your listeners to know Joe that we are ready for any eventuality.* [passage omitted]

National Strike Organizers Vow To Continue

HK2509033790 Manila THE MANILA CHRONICLE
in English 25 Sep 90 pp 1, 8

[By Jimmy Laking, Cherry Velarde, Carolyn Arguillas, Joey Caburnida, Mel Elona, Manny Mogato and Carlos Marquez]

[Text] The transport strike called to protest oil-price increases failed yesterday to paralyze key cities in the country, including Metro Manila, as its organizers had intended. But they vowed to go on with it today, this time with support from the Kilusang Mayo Uno [KMU-1 May Movement], which has announced a general industrial strike affecting at least 400 factories in the metropolis.

While organizers described the transport strike as a "success," the Metro Manila Authority (MMA) said its effect had not been as serious as expected.

"Naapehtuhan pero hindi so lahat ng lugar ng Metro Manila at Karatig lalawigan [It had some effect but not in all parts of Metro Manila and nearby provinces]," Salvador Rivera, MMA chief executive officer, told reporters.

Police and military authorities said they had arrested at least 30 people for preventing jeepney drivers from plying their routes by burning tires on the streets or blockading them.

Reports reaching Camp Aguinaldo said that about 75% of Davao City came to a virtual standstill but that in Cebu only a few drivers joined the scheduled transport strike called by the Pinagkaisahang Samahan ng Tsuper at Operators Nationwide (Piston) [United Organization of Drivers Nationwide].

Unidentified men also hurled fragmentation grenades in front of an appliance store in Davao City, but there were no injuries, the reports added.

Close to 1,000 farmers, students and professionals also mounted a lightning rally in front of the Cabanatuan City public market in Nueva Ecija to denounce the

"premature increase of oil prices which was taken advantage of by businessmen to either hoard or overprice basic goods."

In a move to lessen impact of the strike, the government suspended classes yesterday in Metro Manila and other key cities of the country. The government also mobilized buses as well as military vehicles and cargo trucks to ferry stranded commuters.

Crispin Beltran, KMU chairman, said "a more massive and longer protest" was imminent with the support of the Labor Advisory and Consultative Council (LACC) and the Trade Union Congress of the Philippines (TUCP). He said union leaders would meet again tomorrow to firm up plans "for the biggest national strike on Friday."

But Labor Secretary Ruben Torres said yesterday's strike failed "to get the needed support" and predicted that it "will fizzle out." He also warned workers from participating in the welgang bayan [national strike] as this might jeopardize their employment. He said these workers were liable to disciplinary action, including "possible dismissal by their employers."

"I am advising all workers, whether organized or not, to desist from joining the welgang bayan as this might jeopardize their employment," Torres warned.

He said the issues being invoked were out of the scope of labor and management. Thus, he reasoned, participation in the welgang bayan is "actionable by employers who suffer greatly because of the strike."

"Employers have the legal means to require their workers to work," he added.

Transportation and Communications Secretary Oscar Orbos said 682 buses had been deployed in critical areas in Metro Manila like Taft Ave., Quezon Ave., Aurora Blvd., Magsaysay Blvd. and other thoroughfares.

In addition to military vehicles, Orbos said he had also suspended the truck ban to allow about 50 trucks to help ferry stranded commuters. He warned striking drivers against committing violence or prolonging the protest action because the "government is prepared to take measures to defend itself."

"We have coordinated our plans with the defense department to pursue what is proper," Orbos said without elaborating.

The military was placed on "full alert" starting at 6 a.m. yesterday as a "precautionary measure so that we will be ready when the people need us," according to the armed forces spokesman, Col. Juanito Rimando.

He said the "full alert" aimed to prepare the AFP [Armed Forces of the Philippines] not only for security missions but also for assisting crowd control and providing vehicles for stranded commuters.

Nazareno Forms Civil Disturbance Control Unit

*HK2509105990 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 25 Sep 90*

[By Eloi Aquino]

[Text] PC-INP [Philippine Constabulary-Integrated National Police chief Major General Cezar Nazareno today formed a battalion-size civil disturbance control unit in Camp Crame to respond to any contingency brought about by the national strike against the oil price increase being staged by militant labor and transport groups.

Nazareno's move was to strengthen the present antiriot battalion from the Capital Region Command and Metropolitan Police Force, which are on standby alert.

Nazareno directed Colonel Margarito Uy to make available the 1-million-worth [no currency as heard] of antiriot equipment which the PC-INP purchased recently for the antiriot unit's use. The antiriot equipment includes tear gas, smoke grenades, rubber bullets, and crash helmets. The antiriot equipment is similar to that used by antiriot policemen in progressive nations.

In forming the additional antiriot battalion, Nazareno said that the PC-INP will not allow disorder to prevail in Manila's streets and prevent the public from carrying out their lawful activities.

At the same time, Nazareno warned the leaders of the protesting groups against sowing violence which could affect the public. He stressed that the PC-INP will use the full force of the law to restore order should the protest actions go uncontrolled.

Detained Communist Leaders Support Peace Talks

*HK0709064190 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 7 Sep 90*

[Text] Satur Ocampo and his wife, Carolina Malay Ocampo, detained leaders of the National Democratic Front, have started sending out letters expressing their support for a proposed cease-fire between government forces and communist rebels. The Ocampos' letter was sent through Senator Wigberto Tanada, who issued the proposal for the holding of peace talks to end almost two decades of insurgency in the country.

According to a military source, Tanada allegedly visited the Ocampos in their cell and discussed with them the issue of a cease-fire. Ocampo expressed confidence that the proposed negotiations between the government and the communist rebels would lead to lasting peace if the government would spell out its position on the peace talks as well as on the rebels' proposal for the dismantling of U.S. military bases in the country after 1991.

NDF on Dialogue Following Limited Cease-Fire

*HK1309105990 Manila Radio Veritas in Tagalog
0900 GMT 13 Sep 90*

[Text] In response to President Aquino's directive halting military operations against leftist rebels in earthquake-affected areas, the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front] today said that the president's declaration should be followed by a dialogue. They also demanded that all opposition groups in the country should be included in the dialogue.

In a statement issued by the NDF, they proclaimed themselves open to the idea of a cease-fire, but stressed that a formalization of the move should be undertaken. The NDF also demanded that the government should hold talks with Muslim rebels as well as rebel soldiers, saying that it was not appropriate for talks to be conducted between the two parties only.

The CPP-NPA-NDF also pressed for the inclusion of the issues of the U.S. bases, land reform, industrialization, foreign debts, and reform of the Armed Forces of the Philippines in projected talks.

Muslim Leader Sets Condition for Peace Talks

*HK1309073190 Manila THE MANILA CHRONICLE
in English 13 Sep 90 p 7*

[By staff member Manny Mogato]

[Text] Moro National Liberation Front [MNLF] chief Nur Misuari yesterday discounted any peace talks with government unless sanctioned by the influential Organization of Islamic Countries [OIC] [ICO].

From his base in Saudi Arabia, Misuari told a local radio station that they were not keen on new peace talks with the government because earlier negotiations with President Aquino had bogged down. "Parang mahirap nang maniwala sa sincerity ng pamahalaang Aquino," [It seems hard to believe in the sincerity of the Aquino government], he said. "Ang nangyari noon ay mukhang nilolko lamang kami." [What happened was that they seemed to be fooling us.]

Misuari said any peace negotiations must first be deliberated by the MNLF and the OIC. He said the MNLF cannot immediately "jump into an agreement with the Aquino administration unless we heard something from the OIC and the Quadripartite Committee on the Southern Philippines problem."

He said the MNLF would only accept a political settlement with the Aquino administration based on the provisions of the 1976 Tripoli Agreement.

In Manila, Defense Secretary Fidel V. Ramos warned civilian leaders against rebel declarations for peace talks with the government.

"I think we should be really careful about these declarations because they (all rebels) don't appear to be sincere (on the peace talks)," he said. "They are not talking in one voice." He said such declarations might only be a ploy "to gain time and space because (the rebels) are really hard-pressed in the frontlines."

Military rebels and separatist guerrillas from the MNLF have separately endorsed the planned peace talks. The government, however, has not responded to them, except for the peace initiative from communist rebels. But the military said there appears to be confusing signals from the Communists because Jose Ma. Sison, their acknowledged leader in exile, had rejected the proposal.

Three GCFI Members Charged With Armory Raid

*HK1309053390 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 13 Sep 90*

[Italicized portion in English]

[Text] Quezon City assistant prosecutor Elizabeth Balakin Reyes has charged three of the four arrested for the raid on the Armed Forces of the Philippines' armory with *illegal possession of firearms and explosives in furtherance of rebellion*. Those charged are civilian members of the Guardian Center Foundation, Incorporated (GCFI). They are Rodolfo Morit, Abelardo Reyes, Bruce Jacinto, and former Army corporal Paul Panado. According to Reyes, there will be no bail in this case because it is related to rebellion. Morit, vice chairman and supremo of the GCFI, is said to be a long time aide of fugitive Colonel Gregorio Honasan who is the founder. Meanwhile, the accused will be brought to the National Capital Regional Defense Command for investigation.

Economic Secretary Sees 'Painful Adjustments'

*HK1309070590 Manila THE MANILA CHRONICLE
in English 13 Sep 90 p 1*

[By Lito Zulueta]

[Text] The government must make "painful but necessary adjustments" to allow the economy to grow by 3.5% to 3.8% this year, Economic Planning Secretary Cayetano Paderanga Jr. said last night. The target, as it is, is the result of a fifth cut from the original 6.5%.

Paderanga, also director-general of the National Economic and Development Authority [NEDA], told its board, headed by President Aquino herself, that for the first six months this year the economy had grown by only 3.4%, two percentage points lower than the 5.4% for the same period last year.

Domestic production grew by 2.7%, down from 5.8%. This is due, Paderanga said, to "supply shock" caused by

the drought and the power shortage especially last summer, which hampered both agriculture and industries.

He also reported a slowdown in the job market, noting that unemployment stood at 8.6% in January, up from the 8.2% in the same month last year, underemployment, on the other hand, worsened from 30.2% to 32.5%.

The average inflation rate for the first eight months was a high 12.7%, he said, attributing it to the bloody coup in December and the drought that brought a power crisis in summer.

As painful antidotes to arrest the economic drift, Paderanga proposed a package of measures including: cutting the budgetary and trade deficits to "manageable levels", trade and tariff reforms, careful management of the exchange rate and further refinement in fiscal expenditures.

Paderanga also proposed reduction in debt payments, creation of jobs for workers displaced from the Middle East and fuel conservation.

Electric Water Supply Projects Approved

*HK1309075390 Manila BUSINESS WORLD
in English 13 Sep 90 p 2*

[Text] President Aquino and the National Economic and Development Authority (NEDA) Board yesterday approved five development projects to boost rural electrification and water supply procurement amounting to P20.5 billion.

The Board likewise approved the National Power Corp [NPC], Power Development Program (PDP) and a \$125-million loan from the World Bank for the reconstruction activities in the earthquake-affected areas.

Most significant of the projects is the Masinloc Coal-fired Thermal Power Plant which will install a 600-megawatt coal-based thermal power plant in Masinloc, Zambales. Funds for the project will come from the Asian Development Bank and the Eximbank of Japan as well as funds internally generated by the National Power Corp. The plant's output will be fed into the Luzon grid to augment the island's generating capacity and enable it to meet the projected power demand in the grid come 1991.

Aside from the Masinloc project, the NEDA Board also approved:

- The National Electrification Administration [NEA] Project Package worth P560.7 million;
- the Gumaca Water Supply Project, P77.1 million;
- Mechanical Gas Extraction System for the Tiwi Geothermal Power Plant, P421.8 million; and
- phase two of the Small Islands Diesel Power Project, P396.4 million.

The NEA project will be funded through the World Bank Energy Sector Loan, while the Gumaca water project will be financed primarily by the Presidential Social Fund. The latter involves the construction of various water supply facilities in the municipality of Gumaca, Quezon.

Meanwhile, the NPC PDP is designed to meet the increase in power demand in the Philippines projected at 6229 megawatts by 1995 and 8936 megawatts by 2000 or an annual average of 7.5%. The program aims to harness the country's indigenous energy resources through the mixture of geothermal, hydroelectric and coal-fired plants in the long term and the use of gas turbine plants in the short term. It will also involve the interconnection of power resources in the Luzon, Visayas and Mindanao grids.

Thailand

SNC Meeting in Bangkok Planned for 27 Sep

BK2609041090 Bangkok MATICHON in Thai
26 Sep 90 p 7

[Text] A Foreign Ministry source disclosed on 24 September that Prince Norodom Sihanouk, leader of the tripartite anti-Vietnamese Khmer factions, will come to Thailand on 26 September to chair the Supreme National Council [SNC] meeting expected to be held on 27 September, if other Cambodia faction leaders can agree on the topics of the meeting and its conduct.

The source also said that anti-Vietnamese Cambodian faction leaders have held a private meeting at a Bangkok hotel to connect the appointment of Prince Sihanouk as SNC chairman with the selection of a SNC delegation to attend the UN General Assembly no later than 18 October, when the debate on Cambodia is scheduled.

Hun Sen, the Phnom Penh prime minister, has reportedly not responded to the Cambodian resistance proposal on the topics and conduct of the expected SNC meeting.

The source feels that the new SNC will be successful. He heard, unofficially, that Hun Sen is ready to come to Thailand as soon as the date of the SNC meeting is set.

Meanwhile, a Cambodian guerrilla source has disclosed that the intensity of fighting in Cambodia has reduced during the past three weeks in a show of respect for the agreement on voluntary ceasefire reached in Jakarta.

SRV, Phnom Penh Actions Damaging Peace Hopes

BK2509135890 Bangkok MATICHON in Thai
24 Sep 90 p 7

[Article by "Kamphuchean" entitled: "Who Pushes and Who Pulls the Cambodian Peace Talks"]

[Excerpt] [passage omitted] Before the first meeting of the Supreme National Council [SNC] of Cambodia held

at the Cambodian Embassy in Bangkok in mid-September, officials of the Chinese Embassy in Thailand discussed with Sok An, the Phnom Penh regime's deputy foreign minister, SNC representation in the United Nations General Assembly and the role of Prince Norodom Sihanouk in connection with the SNC chairmanship.

It is regrettable that the SNC meeting failed because Hun Sen, president of the Phnom Penh regime, did not follow the previous agreement reached earlier in Jakarta. He refused to accept Sihanouk as chairman of the SNC and its 13th member.

His reason for the refusal was that if he accepted it, he would face a serious problem in the National Assembly, having been very much criticized for allowing the withdrawal of the Vietnamese troops from Cambodia to take place 15 months before the original schedule.

During the recent SNC meeting in Bangkok, Hun Sen set a new condition that created more obstacles to the negotiations. He proposed to add one more member from the Phnom Penh regime to the SNC and himself become SNC vice chairman if Sihanouk is accepted as the 13th member of the SNC.

Hun Sen's action shows that the Vietnamese-installed Heng Samrin side is insincere about settling the Cambodian conflict. It is Hun Sen's responsibility to explain the SNC chairmanship situation and the Vietnamese troop withdrawal to the National Assembly. The claims that all Vietnamese soldiers have already withdrawn from Cambodia since September last year have not yet been verified by an efficient international mechanism. It is understood that there are still about 10,000-30,000 Vietnamese soldiers left in Cambodia in various guises.

Moreover, Hun Sen has also tried to play a role in the international political arena to highlight the status of the Phnom Penh regime.

While Vietnam has not exerted efforts and used its influence over the Phnom Penh regime to pressure the latter to conform with the Cambodian peace plan designed by the permanent members of the United Nations Security Council and correspond with the Sino-Vietnamese memorandum of understanding, Vietnam should have realized that in the present international political situation, there is better understanding between superpowers like the United States, China, and the Soviet Union. The Soviet Union's assistance to Vietnam will be reduced in 1991. Although the United States has begun its negotiations with Vietnam, the United States' economic punishment measures against Vietnam still continue. Since China has expressed its good intention to establish peace and stability in this region, Vietnam should take this opportunity to improve its relations with China by means of pressuring the Phnom Penh regime to soften its stance toward political settlement of the Cambodian problem. By doing this, Vietnam can end its war in Cambodia and its conflict with China at the same time. This would create a peaceful atmosphere for

the international environment that will be beneficial for the renovation and development of Vietnam.

If Vietnam were to remain idle and not use its influence to pressure the Phnom Penh regime to seek a peace settlement in Cambodia, the Phnom Penh regime would misinterpret the situation. It would think that Vietnam would continue to support it to destroy and wipe out the Khmer resistance forces. The Phnom Penh regime would therefore act as an obstacle to the Cambodian peace process. If Vietnam and the Heng Samrin regime do not change their attitudes toward the issue, they will lose their opportunities and head for catastrophe instead. This is because the war in Cambodia is aimed at regaining independence for the country and liberating the Cambodian people from Vietnamese imperialism.

The Cambodian nationalist forces will fight until the last Vietnamese soldier dies or withdraws from Cambodia.

Foreign Minister Departs for U.S., Canada

*BK2509132690 Bangkok TNA in English 0402 GMT
25 Sep 90*

[Text] Bangkok, Sept. 25, (OANA-TNA)—Thai Foreign Minister Subin Pinkhayan left here Monday night for a two-week official visit to Canada and the United States following a cancelled trip to the two countries by Prime Minister Gen. [General] Chatchai Chunhawan. Speaking before his departure, Subin said he would take the prime minister's place in giving a speech to the United Nations General Assembly in New York on Oct. 2.

Gen. Chatchai, Monday, announced his indefinitely postponement to visit the U.S. and Canada due to domestic energy problem which he would make the final decision on the oil price increase in two weeks. [sentence as received]

Subin said during his speech to the UN General Assembly, he would talk about the Cambodian peace process and the question of Indochinese refugees as well as the developing situation in the Middle East and Asia-Pacific economic cooperation. The 12-year-old Cambodian conflict and the Gulf crisis will be the focuses of the statement, initially planned to be given by Gen. Chatchai.

Subin said he would also give a speech on Thai-U.S. economic and political relations at the Asia Society in New York on Sept. 27. He said the forum would provide him an opportunity to inform U.S. businessmen and investors of economic and business prospects in Thailand.

Subin will be joined on Oct. 5 by foreign ministers from the other ASEAN countries in the trip to Canada, where they will have a two-day informal meeting with Canadian Foreign Minister Joe Clark.

Canada holds annual consultations with ASEAN as a dialogue partner along with Australia, Japan, New Zealand, the European Community, and the United States.

Papers Urge Country To Stay out of Gulf Crisis

BK2209124990

[Editorial Report] Two Thai dailies—MATICHON and BAN MUANG—on 20 and 21 September carry an editorial and a column on the recent near-collision of a U.S. Air Force C5 Galaxy plane and a Qantas jumbo jet over Phuket Province of Thailand.

MATICHON's 20 September editorial on page 8 entitled "Thailand's Territorial Integrity," says that the Qantas QFA10 flight and the U.S. Air Force C5 Galaxy nearly collided when they were flying over Phuket Province on 11 September. The Aeronautical Radio of Thailand Limited has submitted a report to Deputy Communications Minister Nikhom Saenscharoen that the U.S. pilot did not notify the air traffic controllers at Phuket International Airport in sufficient time that it had entered Thailand's air space. The U.S. aircraft first contacted the Phuket air traffic control when it was only about 30 miles away from the island. The editorial also notes that serious investigations into the incident should be conducted.

It is lucky that no accident occurred as a result of the pilot's mistake. If an accident had happened, it would not only have caused losses for the two countries, but would also have had an impact on Thailand's reputation if no one had been able to give correct details of the incident, the editorial says.

The editorial continues by saying that "all agencies concerned in Thailand and the United States, such as the Foreign Ministry, the Communications Ministry, USIS, and the U.S. Embassy in Thailand, should act responsibly, so that all parties concerned can get the true facts, and should respect each country's freedom. Anyone at fault should be punished in order to prevent such incidents from recurring. This should serve as a lesson to the international aviation circle, including both civil and military aviation, that everyone should strictly observe all international aviation agreements and respect the principle of equality of each country."

BAN MUANG's 21 September "Tamolo" column on page five entitled "Do Not Get Involved in the Persian Gulf Crisis," says that a tragedy almost occurred on 11 September when a Qantas jet aircraft with over 200 passengers nearly collided with a U.S. military air cargo plane near the Phuket airport when they were within 15 meters of each other above Phuket. The Aeronautical Radio of Thailand Limited has concluded that the U.S. pilot did not contact the air traffic controllers at Phuket airport in sufficient time that it had entered Thailand's air space. The plane first contacted the Phuket air traffic control only when it was about 30 miles away.

The columnist says that "we do not know whether it was an error of the U.S. pilot or if it was a U.S. strategic plan. Regardless, Thailand must make a strong protest; otherwise, it will be dangerous flying in Thai airspace in the future. If we keep idle over the incident and allow U.S.

military planes to act as if Thailand's airspace belongs to them, what airline will want to land in Thailand again?" The columnist also notes that the U.S. military aircraft flew from Saudi Arabia to the U-taphao airport for refueling. Before this incident there was a report that the United States had requested the use of the U-taphao airport as an operations base against Iraq. Later on, the Thai Government denied this report, saying that it has never received any communication on this matter and that it would not allow the United States to use the U-taphao airport. However, the Armed Forces said that there would be no problem if U.S. planes just made stopovers for various services, such as for refueling. However, the columnist says that this would certainly be a problem. The Middle East conflict is a problem among Arabs, but the United States must intervene to protect Saudi Arabia because Saudi Arabia is an important oil source of the United States and Europe. Thailand has nothing to do with the Gulf crisis. We are in different parts of the world. We can buy oil from other sources so why should we get involved in the conflict? Even if we just allow the United States to use the U-taphao airport for refueling, Iraq and its allies may get angry with us. The Middle East problem is an issue of two Arab nations and should be resolved by those countries themselves. The United States should not expand the issue into a big war. The columnist finally suggests that "Thailand, as a small country, should stay as far away from the Persian Gulf crisis as possible."

Tariff Concessions To Aid Farmers Announced

BK2609032390 Bangkok THE NATION in English
26 Sep 90 p B1

[Text] The Cabinet, in an emergency decision aimed at helping the farmers and low-income earners to face the effects of the Gulf crisis, yesterday announced a sweeping package to tackle the economic difficulties and minimize the impact of higher oil prices.

Under the package, the Finance Ministry has been ordered to scrap the export tariffs on rubber products, exempt all import tariff on fertilizers and liberalize fertilizer imports and end the business and municipal taxes on all kinds of agricultural exports such as maize, tapioca, jute and castor seeds. This tax exemption will bring about a loss in government tax revenue by not more than Bt [baht] 2 billion, taking into account a total export value of Bt100 billion.

The Cabinet also ordered the Commerce Ministry to liberalize the exports of castor seeds, although their imports would be subject to an import tariff of at least 20 percent to protect local planters. On tapioca exports, the ministry was asked to terminate the stocking system for export quotas and draw up a new quota system with special bonuses, so that more tapioca exports could be shipped to the non-European Community market.

All importers of fertilizers will be given an equal chance to import the products to meet the needs of farmers. And, the Board of Investment will have to look at

promotional measures to support the setting up of fertilizer mixing plants to create competition in the market.

This emergency package was introduced shortly before the government's announcement yesterday to increase the domestic oil prices for the second time in less than two weeks after crude prices on the world markets continue to surge as a result of the Middle East crisis. The increase in domestic retail oil prices, effective today, ranges from less than Bt1 for bunker oil to Bt2.30 per litre for premium gasoline, raising a spectre of difficult times the Thai economy will be facing and the concern that the low-income people and farmers will be the hardest hit by the rising prices.

The Commerce Ministry was also assigned to look at ways to cut the import tariffs for raw materials used in the production of animal feeds to an appropriate level as a means to help reduce the production costs of meat and eggs. This action should take into account the protection for local farmers and fishermen producing raw materials used in the animal feed industry.

The ministry will work with the Interior Ministry, the Local Administration Department, the Police Department and the Public Prosecutors Department in setting up a centre to receive complaints from the public regarding the possible profiteering, hoarding and price speculation by unscrupulous traders. Punishment for the violators will be severe.

The Department of Business Economics will announce the price of each food or consumer product category through television and radio for the benefit of retail market nationwide.

The Cabinet also ordered that special retail centres along schools or government agencies should be set up by both the Commerce Ministry and the Interior Ministry to sell consumer products to the public at reasonable prices.

The Ministry for Transport and Communications was ordered to refrain from raising the fares for all public buses operated by the Bangkok Mass Transit Authority of Thailand, the Transport Company, the State Railway of Thailand and other public passenger bus operators. There will be strict control on private transport operators so that the rising oil prices will not distort the actual situation.

All the state enterprises were ordered to refrain from any plan to raise the services of all kinds of public utilities.

All the agencies mentioned are required to submit their reports on the measures they have introduced, in line with the instruction, back to the Cabinet for consideration by October 2.

Suchon Champhunut, deputy finance minister, said the Finance Ministry will be considering the details of the scrapping of export tariffs on rubber products, a delicate issue, given the international control on rubber prices. He said intervention in the industry might send the rubber prices down. He added that the import tariffs on

fertilizers are already low, and the tariffs will have to be exempted altogether if a decision is reached on an adjustment.

Oil Prices Increased

*BK2609063090 Bangkok BANGKOK POST in English
26 Sep 90 p 1*

[Excerpt] The Government yesterday announced another round of oil price increases on all types of fuel. The increases range from 5.5 percent to 35.8 percent, bringing the price of premium gasoline to 11.05 baht from 8.75 baht a litre. The new fuel prices went into effect after midnight last night.

The highest increase was slapped on kerosene which was adjusted to 8.72 baht from 6.42 baht a litre—an increase of 2.30 baht or 35.82 percent.

The price of premium and regular gasoline was increased by 2.30 baht to 11.05 and 10.35 baht a litre respectively, or 26.2 and 28.5 in percentage terms.

A two-baht increase was imposed on the sale of high and low-speed diesel oil, bringing the prices up to 8.40 and 8.20 baht a litre, an increase of 31.2 percent and 32.2 percent respectively. [passage omitted]

State Transportation Firms Seek Compensation

*BK2609041590 Bangkok THE NATION in English
26 Sep 90 p A1*

[Text] State firms operating mass transportation, suffering a heavy blow from oil price jumps and the Cabinet's decision to freeze their fare rates, yesterday demanded huge compensation from the government to keep them from going bankrupt.

Deputy Communications Minister Nikhom Saenchaoen said the oil price hike was seriously affecting the Bangkok Mass Transit Authority [BMTA], immediately depriving it of its entire revolving capital. He said the government must pay at least Bt [baht] 30 million a day to subsidize the present fare rates of the BMTA. That amounts to about Bt360 million annually.

Nikhom also called on the government to allow the BMTA to postpone its debt repayment of about Bt2.8 billion to the Petroleum Authority of Thailand [PTT], a state firm which supplies oil products to government agencies and state enterprises. "If the BMTA was to settle the debt with the PTT on schedule, its financial standing would be adversely affected," he said.

The BMTA currently pays 40 percent of its bills to the PTT and the rest is paid in later installments. Without the government's help, the state-run bus agency will only be able to pay 10 percent for its future purchases, which could affect the financial standing of the PTT, he said.

Samoe Chaowai, a deputy governor of the State Railway of Thailand [SRT], said the oil price hike would raise the annual accumulated debt of the SRT from about Bt600

million to about Bt800 million. The SRT consumes about 100 million litres a year, he said. "We will be in as much hot water as the BMTA will be unless the government pays us about Bt200 million in compensation every year," he said.

The Association of Truck Transportation also called an urgent meeting of its members yesterday to discuss the effects of the oil price jump on business. Association President Chatchawan Photchananuphap told reporters the members had no choice but to increase its transportation charges to cover higher oil bills and higher operating expenses for workers' wages, spare parts and maintenance.

The state-owned Transport Company Limited and the Express Transportation Organization of Thailand would suffer less. The two state firms have been profitable although their profit margins would drop significantly as a result of the new price rise.

A survey by THE NATION shows that housewives were extremely worried about higher prices for cooking gas. They said they expected increases in consumer prices as a result of the oil price rise. The previous 30-stang increase had already pushed up the price of goods, they said. They said they did not believe that the government would be able to control consumer prices and that even if the government raised the salaries of government officials, their earnings would not meet inflation rates.

Banking sources said they were concerned that banks would tighten their extension of credit during the next year. "We expect the rate of credit expansion for the next year to drop from our projection of 30 percent to about 20 or lower," said one banker who asked not to be named. The sources warned that land developers would bear the brunt of the tight money situation, which would be aggravated by soaring interest rates. Interest rates have been increasing since the beginning of this month.

After yesterday's oil price adjustment, domestic prices will be 40 percent higher than prices before the Gulf Crisis broke out while world crude prices have soared about 80 percent during the same period, they said. "These new prices reflect only half of the real situation," one said.

Military, Political Corruption Denounced

*BK2609084990 Bangkok THE NATION in English
26 Sep 90 p A10*

[Editorial: "No Room for Merit"]

[Text] One measure of clout in the Thai political arena these days is how much and how often you can meddle in somebody else's affairs.

Gen [General] Chawalit Yongchaiyut, while he was still the army chief and supreme commander two years ago, played an instrumental role in forming the Chatchai coalition and backing Gen Chatchai Chunhawan's rise to

the premiership. Even though he has left the military, Chawalit is still recognized as having considerable influence because of the large number of his followers in the armed forces. The premier and most of his men took Chawalit very seriously last month when he announced that he was going to form a new political party.

Within the administration, Interior Minister Banhan Sinlapa-acha is known to have tremendous political clout. According to his own reckoning, Banhan has to tend to all matters and disputes that threaten the stability of the administration or the premier's Chat Thai Party, of which Banhan is the secretary general.

But Banhan often over-plays his role as a "housekeeper," to the point that many government politicians have become offended. Last week's attack on Banhan by PM's Office Minister Chaloei Yubamrung was clearly part of an organized movement to cut the omnipotent interior minister down to size.

Somebody involved in this campaign leaked documents Banhan sent to Communications Minister Montri Phongphanit asking for special treatment for 10 senior communications officials in the annual civil service reshuffle this month. Banhan wanted to see some of this group promoted and keep others from being transferred. This leak didn't seem to embarrass Banhan at all, or at least he didn't show it.

The minister countered that Montri had asked him to help in promoting a few police officers close to the communications minister. Banhan said he had had the "decency" not to tell anyone about it, and even contended that asking fellow ministers for special consideration for somebody you know or like has long been a normal practice.

Sadly, Banhan apparently is correct. A few weeks ago somebody inside the Police Department blew the whistle on Deputy Interior Minister Trairong Suwankhiri for requesting a promotion for a close friend. Trairong asserted that virtually every other Cabinet member has made a similar request at one time or another.

Even Premier Chatchai, who is concurrently the defence minister, asked Army chief Gen Suchinda Khrapayun for special treatment for some officers in this year's military reshuffle. General Suchinda revealed this matter-of-factly during a meeting with executive members of the Reporters Association of Thailand last week.

On top of these sort of requests, money is often handed over in return for promotions or desirable transfers, and nepotism and favouritism based on party affiliation or class of graduation is rampant. It makes one wonder whether merit or efficiency mean anything at all in the bureaucracy or the military.

Too many senior officials, police and military officers have received promotions that they don't deserve. The system of passing out the spoils to friends and supporters discourages scrupulous, hard-working officials and

officers who are passed over by opportunistic colleagues with good political connections.

Politicians and military leaders simply don't mean what they say when they swear they will refrain from interfering in each other's affairs. Both groups will continue to treat official and military positions like trading chips and use the promotion system for their own ends. And like it or not, the Army chief will still have a big say in who is going to be the next premier.

Vietnam

'Encouraging Signs' for Ties With China Seen

BK2509125990 Hanoi International Service in English
1000 GMT 25 Sep 90

[Station commentary]

[Text] Recent developments in the Sino-Vietnamese relations have won much attention from the world public. Here is our radio's commentary on this issue:

Mrs. Ho The Lan, a spokeswoman for the Vietnamese Foreign Ministry, held a regular press conference in Hanoi on 20 September to answer questions of foreign newsmen on the Sino-Vietnamese relations. According to the spokeswoman, there have been encouraging signs in the Sino-Vietnamese relations. This is an accurate assessment because there are now developments never seen in the two countries' relations over the past 10 years.

An important and noted event was the visit to China of General Vo Nguyen Giap, vice chairman of the Council of Ministers, who came to Beijing as special guest of the Chinese Government to the 11th Asiad Games. The general was warmly welcomed in Beijing. He met with his old friends who have fought by his side and had been close to him as well as to other Vietnamese senior leaders in the past resistance against foreign aggression.

The general visited several production establishments and localities in China. He also visited the Asiad's 19 villages and toured an experimental zone for development of new technologies in Beijing. In all activities and statements, General Vo Nguyen Giap and leaders of the host country always mentioned the friendship and solidarity between Vietnam and China. Many moving statements of the two sides were quoted by foreign newsmen. Before leaving the Asiad's 19 villages, General Vo Nguyen Giap said that in these games, the Vietnamese sport delegation wishes to obtain a gold medal—that of friendship, solidarity, and progress.

In his reply, the head of the Asiad's 19 villages, Zhao Leizhi, predicted: Vietnam would not only obtain one gold medal but some. There are more activities heralding a new page of Sino-Vietnamese relations.

After the opening ceremony of the Asiad 90, many Chinese children ran up to the platform to present the

Chinese leaders with padded pandas, a symbol of the games. Immediately, president of the Asiad 90 Committee of China, Chen Zitong, handed over his panda to General Vo Nguyen Giap.

The French paper LE FIGARO said: The Sino-Vietnamese relations have turned a new page. Vietnam always hopes so. Mrs. Ho The Lan, a spokeswoman for the Vietnamese Foreign Ministry, was right when she said that Vietnam and China are two neighbors bound by long-standing friendship and traditions. Vietnam strives to restore the friendly relations in the interests of the Vietnamese and Chinese peoples and for the sake of peace and stability in Asia. China welcomes the visit to China of General Vo Nguyen Giap and Vietnam wishes that the visit will make contributions to an early normalization of relations between the two countries.

PRC President Views Vo Nguyen Giap Visit

*BK2609064290 Hanoi Domestic Service in Vietnamese
2300 GMT 25 Sep 90*

[Text] On 21 September, Chinese President Yang Shangkun held talks with former Japanese Prime Minister Takeshita. During the talks, when mentioning the China visit of Vo Nguyen Giap, vice chairman of the SRV Council of Ministers, who attended the inauguration of the 11th Asian Games, President Yang Shangkun said: The fact that Vietnam appointed a high-ranking representative to attend the current Asian Games symbolizes the improved relations between Vietnam and China. China will do its best to improve Sino-Vietnamese relations.

Seminar on Economic Ties With Japan Held

*BK2209051690 Hanoi VNA in English 1508 GMT
21 Sep 90*

[Text] Hanoi VNA Sept. 21—A seminar on the Vietnam-Japan economic relations was held here on Sept. 20-21, with the participation of a visiting Japanese economic mission led by Hiroshi Matsuki, President of the Japanese Chamber of Commerce, Bangkok, and President of the Mitsui Co, (Thailand) Ltd.

The mission, comprising representatives of 35 Japanese companies, is the biggest Japanese economic delegation ever visiting Vietnam in many years. Other participants included Nguyen Thi Binh, President of the People's Aid Coordination Committee (PACOM); Vu Tuyen Hoang, President of the Vietnam-Japan Friendship Association and Japanese Ambassador to Vietnam Asomura Kumaki.

The participants exchanged experiences in economic development, laying stress on investments in export production, intellectual facilities and equipment modernization.

During discussions on issues related to the Vietnam-Japan economic relations, Dinh Phu Dinh, vice minister of commerce, noted that the turn-over of Vietnam's

trade with Japan in 1990 is expected to be well over 503 million US dollars. He said however that over the past two years Japan has only invested 73 million US dollars in Vietnam, while investments from Britain, the Netherlands and Canada are 142 million US dollars, 118 million US dollars and 101 million US dollars respectively.

The Japanese side expressed its hope in the bright prospects of the Vietnam and Japan trade relations, especially in the light industry, foods and fruit processing industry and the production of electronic components.

Nguyen Co Thach, vice-chairman of the Council of Ministers and foreign minister of Vietnam, attended the closing ceremony here this afternoon. He noted with joy the constant development of the Vietnam-Japan trade relations on the basis of mutual interests and expressed Vietnam's sincere desire to broaden its economic relations with Japan and other countries as well.

Reviews Japanese Investment Relations

*BK2509101290 Hanoi VNA in English 0714 GMT
25 Sep 90*

[Text] Hanoi VNA September 25—A seminar on Vietnam-Japan economic relations has been held in Ho Chi Minh City under the joint sponsorship of the Vietnam-Japan Friendship Association, the Japanese Chamber of Commerce, Bangkok, the State Commission of Cooperation and the People's Committee of the city.

Foreign participants included representatives of Japanese production and business companies in Japan and Thailand.

During the seminar, the Japanese and Vietnamese participants exchanged views on experience in post-war economic restoration, economic development in Japan and West Pacific, economic relations among Japan, Thailand and Vietnam. The implementation of Law on Foreign Investment in Vietnam and the investment orientations of Ho Chi Minh City. Earlier, a similar seminar was held in Hanoi on September 20-21.

Soviet Ambassador Presents Credentials

*BK2609005390 Hanoi VNA English 1525 GMT
25 Sep 90*

[Text] Hanoi VNA Sept 25—The new ambassador extraordinary and plenipotentiary of the Soviet Union to Vietnam, R.L. Khamyudin, today presented his credentials to State Council President Vo Chi Cong.

Speaking to the new abassador, President Vo Chi Cong said he believed that the ambassador will fulfill his noble task to contribute to the consolidation of the existing fine relations between the Soviet Union and Vietnam. The president affirmed that Vietnam, now as before, is persistently striving to consolidate and develop the traditional friendship and multi-faceted cooperation with

the Soviet Union in the interests of the two peoples, for peace and social progress in Southeast Asia, Asia and the world as a whole.

President Vo Chi Cong expressed sincere gratitude to the Soviet party, state and people for their support, assistance, now as before, to the Vietnamese people's revolutionary cause. He also expressed his firm belief that the Soviet people will overcome all difficulties and trials, and continue marching along the road of socialism.

For his part, Ambassador Khamydulin affirmed that he will strive to make active contributions to the consolidation and development of the close relations and all-round cooperation between the Soviet Union and Vietnam.

Yarn Exports to Soviet Union 'Highly Valued'

BK2509094790 Hanoi Domestic Service in Vietnamese 0500 GMT 22 Sep 90

[Text] The Dong Nam yarn plant of the export-import federation in the textile sector under the Light Industry Ministry's managerial control, has thus far produced more than 1,500 tonnes of yarn for export to the Soviet Union. It is striving to complete the remaining 200 tonnes no later than 30 October, two months ahead of schedule as compared to previous years.

Besides technological, labor and financial management measures to firmly preserve its reputation regarding the quality of products and time of delivery, the plant has paid attention to investment by upgrading and gradually renewing its equipment.

This year alone, the plant has invested \$700,000 in rehabilitating and upgrading its equipment. As a result, its exports to the Soviet Union have been highly valued and certified for quality.

Editorial Marks Anniversary of Troop Withdrawal

BK2609102290 Hanoi VNA in English 0705 GMT 26 Sep 90

[Text] Hanoi VNA September 26—Marking the complete pullout of Vietnamese army volunteers from Cambodia this day last year, NHAN DAN today says that the troop withdrawal was a demonstration of the goodwill of Vietnam and the State of Cambodia toward a peaceful settlement of the Cambodia issue and also an evidence of the latter's constant growth.

The commentary continues:

"The total withdrawal of the Vietnamese volunteer army from Cambodia has created favourable conditions for further dialogue in quest of an overall political solution to the 11 year-long conflict in Cambodia. By upholding the banner of peace and national independence, the State of Cambodia has persisted in its national reconciliation policy and enhanced its sense of responsibility in the interests of the Cambodian nation. The delegation of the

State of Cambodia has shown its sincere and flexible attitude at all international conferences and meetings among Cambodian factions, thus making positive contributions to the search for an equitable solution to the Cambodia conflict. "Although the first meeting of the Cambodia's Supreme National Council [SNC] failed to tackle urgent questions on Cambodia, the members of the State of Cambodia to the SNC have made painstaking efforts to facilitate another SNC meeting so that an SNC delegation would be promptly set up and sent to the current UN General Assembly and to solve other imperative questions on the Cambodian conflict."

The paper says:

"The Vietnamese people firmly believe that although many difficulties still lie ahead on the way to an overall solution to the Cambodia issue, the coming dialogue on Cambodia will yield positive results out of goodwill and efforts from all parties concerned."

Friendship Association Delegation Visits DPRK

BK2109163090 Hanoi VNA in English 1504 GMT 21 Sep 90

[Text] Hanoi VNA September 21—A delegation of the Vietnam-DPRK Friendship Association led by its President Le Van Dy, who is also first deputy minister of heavy industry, visited the Democratic People's Republic of Korea from September 9-19.

While in the DPRK, the Vietnamese delegation met with senior officials of the DPRK-Vietnam Friendship Society led by Yi Kwang-su, president of the host society and vice chairman of the Central Education Commission. It also visited a number of cultural and economic establishments in the DPRK.

On September 18, the Vietnamese guests were received by Chang Chol [name as received], vice premier of the Administration Council. A cooperation plan between the two organizations for 1991-1992 was signed in Pyongyang the same day.

Le Quang Dao Departs for Thailand 25 Sep

BK2609004490 Hanoi VNA in English 1522 GMT 25 Sep 90

[Text] Hanoi VNA Sept 25—A Vietnamese National Assembly delegation led by Chairman Le Quang Dao left here this morning for Bangkok for an official visit to the Kingdom of Thailand.

The delegation was seen off at the presidential palace by Nguyen Huu Tho, president of the Vietnam Fatherland Front; Nguyen Khanh, vice chairman of the Council of Ministers and other senior Vietnamese officials.

Thai Ambassador to Vietnam Rangsang Phahonyothin was also on hand at the seeing-off party.

Assistance Asked for Workers Stranded in Iraq*BK2509143890 Hong Kong AFP in English
1406 GMT 25 Sep 90*

[Text] Hanoi, Sept 25 (AFP)—Vietnamese authorities have called on the international community to help Vietnamese workers in Iraq who are facing acute food and medical shortages, a Foreign Ministry spokesman here said Monday.

Vietnam has appealed to "the United Nations, international organisations and capable countries" to supply food and help in repatriating some of the more than 16,000 Vietnamese workers currently in Iraq, the spokesman said.

Priority should be given to "the thousands of women, the sick and those who had completed their contracts," he said, adding the majority of Vietnamese were spread between the Iraqi provinces of al-Mawsil and al-Basrah and the capital, Baghdad. "There is a serious shortage of food and medicine and they are in urgent need of aid," the spokesman said, adding Hanoi was expecting an international response to its appeal.

Vietnam's ambassador to the United Nations, Trinh Xuan Lang, has written a letter to the president of the U.N. Security Council, asking that 500 tonnes of food be sent to Vietnamese nationals in Iraq, diplomatic sources here said.

Mr. Lang's appeal followed an Iraqi announcement that it would cease supplying food to the Vietnamese, effective October 1, the sources said. In the same letter, the ambassador called on the international community to facilitate the initial repatriation of 5,000 Vietnamese workers from Iraq.

Minister of Employment and Social Affairs Tran Dinh Hoan visited Baghdad in mid-September to discuss the evacuation of Vietnamese from Iraq. But up until now, Vietnamese authorities have failed to announce any evacuation plan, apparently because of financial difficulties. Hanoi has assumed a cautious position on the Gulf crisis, expressing its concern and its hope for a peaceful solution, without openly condemning Iraq's August 2 invasion of Kuwait.

NHAN DAN on Rapidity of German Reunification*BK2209092590 Hanoi Domestic Service in Vietnamese
1430 GMT 19 Sep 90*

[NHAN DAN 19 September commentary by Thanh Tra: "Why Has the Process of Unifying Germany Taken Place So Quickly?"]

[Text] Not even a year has elapsed since the onset of burning events in the GDR in October 1989. The world is now witnessing the last days of the GDR's existence before it joins the FRG. Treaties with fundamental stipulations on foreign and domestic policies of the unified Germany have been signed by the various sides

involved. The process of unifying Germany has taken place much more quickly than expected. The world public believes that Mr. Kohl, the FRG chancellor, won a great victory in accelerating this process.

The causes that forced the GDR to hurriedly join the FRG in disregard of objective realities—that necessary socioeconomic premises have not been created—stemmed from the parliamentary election in the GDR in March 1990. The election was held ahead of schedule because of the pressure of opposition forces inside and outside the GDR which led to the fact that the party of democratic socialism has lost its leadership and become a minority opposition faction in the parliament.

The socio-political situation of the GDR became uncontrollable. Its economy fell into a serious crisis. Unemployment and inflation soared. The living conditions of large numbers of the people deteriorated seriously. All these were the pretexts for the FRG to carry out its scheme to accelerate the process of incorporating the GDR and to expedite the establishment of fiduciary, economic, and social security alliances between the two Germanys effective 1 July 1990, considering them premises to promote the economic development of the GDR. In reality, although the fiduciary alliance between the two Germanys came into effect, the GDR economy has not improved but has instead worsened gravely. Along with circulating the Deutsche mark in both Germanys, the shift of the GDR's economy to a market-oriented economy was not well prepared for competing fiercely with the FRG's economy, which has higher productivity and efficiency. This has dealt a much heavier blow to the GDR than was expected.

Compared to 1989, the average income of the GDR citizens after 1 July 1990 has decreased by 150 marks and equalled one third or so of their colleagues' income in the FRG. This situation is estimated to continue in the next five years although the money earned in the GDR can be extended longer. Meanwhile, prices of commodities and the costs of thousands of types of services have skyrocketed. The overflow of goods from the FRG and the West into the GDR has bankrupted many industrial and agricultural sectors in the GDR because of accumulated unsellable products. The body of jobless people has become increasingly larger. Some 360,000 people have been driven onto the streets and 1.4 million people have no full-time jobs. It is estimated that 3 out of 8.5 million workers in the GDR will have no jobs following the reunification of the Germanys. While Mr. Theo (Waigel) spent 25 million D-marks to make propaganda for the financial alliance, he remains very indifferent to the burden caused by this alliance which FRG workers have to shoulder. He has said the GDR must assume responsibility for overcoming the difficulties in its own society.

Faced with such a situation, Mr. Maiziere, the GDR prime minister, stressed that an earlier merger with the FRG was the sole way to rescue the GDR economy from collapse. Necessary work in domestic affairs has been

performed in this direction. On 23 August the GDR parliament approved the decision to merge with the FRG on 3 October 1990 in accordance with Article 23 of the FRG Constitution. Earlier, on 22 July, the GDR parliament made a decision to restore the former five states and replace the current 14 provinces in the GDR as preparations for incorporation with the FRG. East Berlin has a special statute for merging with West Berlin.

Effective 3 October 1990, the GDR will no longer exist. Who will then be the leader and representative of 12 million voters of the GDR until the all-German elections scheduled for 2 December 1990? It is clear that the GDR Constitution will no longer be valid effective 3 October and the FRG Constitution will be applied throughout Germany. Mr. Kohl and the Bonn Cabinet will assume the role of leading Germany until the day of the all-German elections by the end of this year.

According to a statement by the FRG Government, on 4 October Mr. Kohl will accept four statesmen of the GDR as ministers without portfolio in the FRG Government. The GDR parliament can recommend 144 deputies for inclusion in the current FRG parliament. Political parties in the GDR are accelerating their merger with parties in the FRG to prepare for the electoral campaign in early December. On 31 August the treaty to unify Germany in the domestic affairs domain was signed by the negotiation delegation heads of the two Germanys and will be ratified by the two Germanys' parliaments prior to 21 September.

The international aspect of German unification was the delicate problem that has been resolved. On 12 September the last two-plus-four foreign ministers meeting in Moscow concluded with the signing of a treaty to unify Germany internationally. The basic content of the treaty is to recognize the entire sovereignty of Germany. It allows Germany to freely choose its military alliance and reject all rights of allies over Germany, fixes the Austerlitz borderline separating Germany from Poland, and abolishes all Germany's territorial claims.

The world public holds that when both domestic and foreign aspects of the unification of Germany have been settled, besides those who rejoice and breathe a sigh of relief for getting rid of all responsibilities, large numbers of GDR workers who are deeply worried about their uncertain benefits and future and the public fear of a new war likely breaking out from the reunified Germany, which possesses strong economic and technological potential, has not ended.

Greetings Sent to Communist Party of Uruguay

*BK2209053190 Hanoi VNA in English 1506 GMT
21 Sep 90*

[Text] Hanoi VNA Sept. 21—The Central Committee of the Communist Party of Vietnam today extended its greetings to the Central Committee of the Communist Party of Uruguay [CPU] on the 70th CPU anniversary.

After highlighting activities of the Communist Party of Uruguay over the past 70 years, especially its leading role in the struggle of the Uruguayan revolutionary and progressive forces for freedom, democracy and social progress, the message reaffirms the solidarity of the communists and other people of Vietnam with their support for the CPU's just struggle.

It wishes the Communist Party of Uruguay further success in its noble mission and expresses the hope for constant consolidation and development of friendship between the communist parties and peoples of the two countries.

Vo Van Kiet Attends Power Station Inauguration

*BK2509152390 Hanoi Domestic Service in Vietnamese
0500 GMT 23 Sep 90*

[Text] SAIGON GIAI PHONG reports today that on the occasion of the Nam Bo Uprising anniversary, 23 September, more than 100 veteran revolutionaries and cadres currently working in Ho Chi Minh City attended a traditional get-together to commemorate the anniversary.

Yesterday morning, 22 September, the power transmission station in Duyen Hai district was inaugurated after more than nine months of construction. Attending the inauguration ceremony were Comrade Vo Van Kiet, Comrade Vo Tran Chi, Comrade Vu Ngoc Hai, and many other comrade leaders.

Defendants Confess to Crimes Against Government

*BK2509115390 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 17 Aug 90 p 1*

[Report by V.K.]

[Text] After being interrogated for two days in court on charges of using religion to conduct "propaganda" against the revolutionary administration, Nguyen Thi Nhi, Nguyen Van De, and most of the other defendants confessed to having undermined the policy of solidarity, conducting propaganda against the positions and policies of the Communist Party of Vietnam, and distorting the policy on religion of the Vietnamese state. Realizing that the case, which occurred a long time ago, had had limited effects and that the defendants had sincerely pleaded guilty at the 16 August court session, the Ho Chi Minh City People's Court sentenced Nguyen Van De to 10 years imprisonment, Nguyen Thi Nhi to eight years imprisonment, and Mai Hong Khanh to five years imprisonment. The other defendants received jail terms ranging from three to five years. Defendant Nguyen Van Nam alone was given a two-year suspended sentence.

After serving their sentences, the 11 defendants will also be deprived of some of their civil rights and placed under surveillance in their localities for a period of two to four years.

Further Details on Typhoon Destruction*BK2509033390 Hanoi Domestic Service in Vietnamese
1100 GMT 22 Sep 90*

[Text] According to an announcement by the Central Committee for Flood and Typhoon Control Protection Directive Committee, Typhoon No. 6, known as Ed according to its international designation, was the 18th storm in the Pacific Ocean. Beginning on 11 September, this typhoon was strong.

On the afternoon of 18 September, the typhoon entered the coastal region between Quang Nam-Danang and Quang Tri Provinces.

According to reports from the localities concerned, Typhoon No. 6 killed 18 people and injured 39, while 11 were reported missing. It razed or swept away more than 4,500 homes, damaged more than 14,700 homes, and submerged more than 140,000 others. Many schools, hospitals, and medical aid stations were torn down or damaged.

The typhoon completely destroyed more than 7,000 hectares of rice, 6,700 hectares of subsidiary food crops, and inundated or heavily damaged more than 27,000 hectares of rice. A total of 2,312,000 cubic meters of earth of various water conservancy works collapsed or were swept away, along with more than 45,000 cubic meters of rock and 7,500 cubic meter of concrete. Meanwhile, flood waters sank 234 boats and wrecked others. Three 33-horse power vessels and three 22-horse power vessels were sunk. Nearly 880,000 cubic meters of roads collapsed or were swept away, 35 bridges and sluices damaged, more than 20,000 metric tons of paddy soaked, and large amounts of materials and other commodities ruined.

Because of the close and timely instructions of the Central Committee for Flood and Typhoon Control and their active implementation by the localities concerned, losses in lives and property were somewhat reduced. At present, all levels and sectors at the center and in the stricken localities are urgently working to overcome the typhoon aftermath and to stabilize the people's living conditions and production.

Hunger Relief Efforts in Dac Lac Province*BK2509131690 Hanoi Domestic Service in Vietnamese
1100 GMT 23 Sep 90*

[Text] Since mid-June, over 83,500 people in Dac Lac Province have suffered from a serious food shortage, thus making it mandatory for the province to come to their rescue.

People suffering from hunger chiefly belong to three categories: the 50,000 multiethnic natives of Dac Lac, those people sent to new economic zones whose living conditions have not been carefully prepared, and those compatriots who voluntarily resettled in the province.

With relief aid of 300 million dong from the central government and tens of millions of dong obtained by the province itself, Dac Lac Province is striving to save its people from hunger. In the first phase, the province spent 163 million dong to purchase over 142 metric tons of rice of which three kg of rice or more have been given to each hunger-stricken person.

With the spirit of mutual assistance, the multiethnic compatriots of Krong Pack and Krong Puk Districts in Dac Lac Province are helping one another in this time of need and are trying to fight hunger by themselves.

However, the province's hunger relief efforts, which consist of allocating money to the people for buying food, have not been carried out systematically because the relief money has been channeled along a zig-zag path. That is why 140 million dong which should have been distributed in the second and third hunger relief phases has yet to reach the people.

After quickly correcting the mistakes found in the second and third hunger relief phases, the Steering Committee for Hunger Relief Activities of Dac Lac Province is considering starting its fourth hunger relief phase in areas hardest hit by hunger.

N.V.L. Urges End to Importing Luxury Goods*BK2509141090 Hanoi International Service in English
1000 GMT 25 Sep 90*

[Text] N.V.L., author of the column "Things To Do Now" in Hanoi dailies, wrote that the three major economic programs of Vietnam are gaining momentum, thus gradually improving the people's daily life. [Words indistinct] he further said: People throughout the country have to save foreign currency and gold, which should be used to import materials and petrol in the service of the three economic programs. People's life will be improved as long as production and exports are well underway.

The author pointed to the harm of importing luxuries and called on officials concerned to take a resolute measure and duly punish any individuals or organizations that are involved in massive smuggling.

Young Officers' Concerns for Future Examined*BK2509093890 Hanoi Domestic Service in Vietnamese
1400 GMT 21 Sep 90*

[Article by La Ba Tinh on young officers' worries about their future]

[Summary] What does the future hold in store for officers? This question is related to the present training of young officers. "It is related not only to the profession and standing of young officers but also to the entire society and the defense of the socialist fatherland. The result, whether desired or not, is that this question is really a burning social issue, not only an Army issue."

Recently, five young officers in H-19 Engineer Brigade who were eligible for promotion did not receive their promotion because they are not needed. They are wondering what will they do after they are discharged.

In H-09 unit of the Quyet Thang Group, there are more than 30 young officers who are platoon or company cadres. Only a few will later become battalion cadres and be eligible for promotion to field grade officers. "What will happen to the remaining officers who are not eligible? Once discharged, what will they do and what will become of them? All they know now is to use weapons."

In the Signal Communication Officer School there are many officers eligible for promotion this year who have not been promoted to field grade officers because they hold no position in the school. This has dampened their enthusiasm in performing their duty. "Although some of them are professionally skilled upon discharge, it is not easy for them to get a job."

"Some young officers in H-09, H-29, and H-49 units are worried not only about their future but also about their present living conditions." We also met some recently discharged young officers who are trying hard to get a job.

"To solve this new problem, we suggest that the party and state should formulate satisfactory policies to give peace of mind to young officers so that they can fulfill their duty well, and alleviate difficulties for discharged officers."

Along with conducting military training for young officers, there must be some vocational training in officer schools to teach some skills to both in-service and discharged officers. "The vocational training of discharged officers must be considered a social policy guaranteed by a well established plan and budget."

The party, social and mass organizations should not forget to make young officers constantly aware of the glory of being outstanding officers trusted and loved by the people.

Once they have received some vocational training and a guarantee for their future, active young officers will certainly have the peace of mind to perform their duty well and, if they are discharged, they know they will have some standing in society so that they can continue to make contributions.

Development of Garden Economy Urged

*BK2109100190 Hanoi Domestic Service in Vietnamese
0500 GMT 19 Sep 90*

[Text] The chairman of the Council of Ministers has issued a directive to all provincial, city, and special zone people's committees urging them to follow the specific conditions and traditional experience in forming plans to develop the garden economy with the general economy, and combining production with harvesting work and the processing and marketing of products. This

is aimed at making the garden economy an important production sector in each locality and throughout the country.

It is necessary to expand the garden economic movement under VAC [V meaning Garden, A meaning fish pond, and C meaning stable] and the movement to build Uncle Ho's gardens and fish ponds, or the movement to create gardens and plantations on forest and hilly land in mountainous, midland, and coastal regions.

Comparison of Do Muoi National Day Speech

BK2109102790

Hanoi NHAN DAN in Vietnamese on 2 September 1990 carries on pages 1 and 2 the 7,000-word speech by Do Muoi, chairman of the Council of Ministers, at the meeting held at the Ba Dinh conference hall in Hanoi on 1 September to mark the 45th anniversary of the August Revolution and Vietnam's National Day.

This version has been compared with the VNA version published in the Vietnam section of the 5 September East Asia DAILY REPORT, pages 66-72, revealing the following variations:

Page 66, column two, paragraph one, sentence one reads: Esteemed Comrade General Secretary Nguyen Van Linh and comrades party and state leaders, Esteemed Comrade Pham Van Dong, adviser to the party Central Committee, Dear compatriots and combatants throughout the country, Dear comrades and friends, Dear foreign guests,

Today, our people... (deleting first two paragraphs, supplying additional material)

Paragraph ten, end of sentence one to sentence two reads: independence and socialism. Our people, shedding off the... (substituting "our" for "poor")

Page 67, column one, fourth complete paragraph, sentence two reads: relations of production, building the initial technical... (substituting "building" for "throwing," deleting editorial notation)

Column two, first complete paragraph, sentence two reads: ...slowness in renovating the system of economic management; the general readjustments of prices... (substituting "the" for "little")

End of third complete paragraph to paragraph four, sentence one reads: ...not been resolved.

Dear comrades and friends, advancing to socialism... (supplying additional material)

Page 68, column two, end of paragraph three to paragraph four reads: ...their renovation task.

Dear comrades and friends, as the renovation... (supplying additional material)

Page 69, column one, first complete paragraph, sentence two reads: ...protectors of the citizens' legitimate interests. The pursuit of special rights and privileges and corruption in... (rewording)

Page 70, third complete paragraph, end of sentence one to sentence two reads: ...and public order. Dear comrades and friends, our national construction... (supplying additional material)

Column two, paragraph two, end of sentence four to sentence five reads: ...the defined path. Instead of encouraging the people to compete in trading, we should mobilize them to invest capital in expanding production and creating increasingly greater wealth for society. Businesses and services... (supplying additional material)

Paragraph seven, sentence one to page 71 reads: ...of quick benefit. We must resolutely suspend the construction of projects... (repunctuating and rewording)

Page 71, column one, first complete paragraph, sentence two reads: ...exploitation of revenue sources of the state budget, strict accounting with... (adding "of the")

Column two, fourth complete paragraph to paragraph five reads: ...and state law.

Dear comrades and friends, in their history... (supplying additional material)

Page 72, third complete paragraph, sentence one reads: ...all present trials and difficulties to ensure the continuation... (supplying additional material)

Same paragraph, last sentence reads: ...the path to development, progress and civilization... (adding "development")

Column two, end of paragraph four to paragraph five reads: ...of international law.

Dear comrades and friends, on this grand... (supplying additional material)

Comparison of Le Quang Dao Press Release

BK2409120390

Hanoi Domestic Service in Vietnamese at 0500 GMT on 21 September carries the "full text" of the seven-minute "press release" on the 13-20 September official friendship visit to the Lao People's Democratic Republic of Le Quang Dao, chairman of the SRV National Assembly and vice chairman of the SRV Council of State. This version has been compared with the Vientiane Domestic Service Lao version published in the Laos section of the 21 September East Asia DAILY REPORT, pages 40-41, revealing the following variations:

Page 40, column two, first complete paragraph reads: Comrade Chairman Le Quang Dao and his party called

on Comrade Souphanouvong, member of the Political Bureau of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the LPDR. Comrade Phoumi Vongvichit, member of the LPRP Central Committee Political Bureau, acting president of the LPDR, and chairman of the Lao Front for National Construction; and Comrade Khamtai Siphandon, member of the LPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense, cordially received Chairman Le Quang Dao and his party. (supplying additional material, changing wording)

Page 40, column two, paragraphs three and four read: The meetings took place in a warm, comradely, and fraternal atmosphere.

Comrade Nouhak Phoumsavan, member of the party Central Committee Political Bureau and SPA chairman, hosted a grand reception in honor of Chairman Le Quang Dao. (supplying variant material)

Page 40, column two, paragraph five, sentence two reads: During the meeting, the two chairmen informed each other about political, economic, and cultural developments in each country, about achievements already recorded as well as current favorable conditions and difficulties, and about the urgent tasks to be carried out in the period ahead to advance the renovation process in each country to new victories. (supplying variant material)

Page 40, column two, paragraph six, sentence one reads: Comrade Chairman Le Quang Dao informed his counterpart about the Ninth Plenum of the Sixth Communist Party of Vietnam [CPV] Central Committee, during which the draft socialist construction plan for the transitional period, the draft socioeconomic development strategy from now to the year 2000, and the direction of the five-year development plan for the period from 1991 to 1995 were reviewed prior to their presentation to the Seventh CPV Congress. (deleting words "the successes of")

Page 40, paragraph seven, only sentence reads: Comrade Chairman Nouhak Phoumsavan informed his counterpart about the campaign to promote democratic rights among the multiethnic Lao people and the movement for discussion of the LPDR's first draft constitution and draft political report to be presented at the upcoming Fifth Congress of the Lao People's Revolutionary Party [LPRP]. (supplying variant material)

Page 41, column one, complete paragraph one, only sentence reads: The two chairmen highly appraised the correct and goodwilled stand of the State of Cambodia and acclaimed the agreement concluded on 10 September 1990 by various Cambodian factions on their recognition of the resolution adopted by the five member countries of the UN Security Council on the comprehensive political solution to the Cambodian problem and the formation of the Supreme National Council of Cambodia. (clearing indistinct word "and")

Page 41, column one, paragraph four, only sentence reads: Comrade Le Quang Dao and Comrade Chairman Nouhak Phoumsavan expressed their pleasure and satisfaction over the fact that the great, friendly relations and special solidarity and all-around cooperation between the two parties, states, and peoples of Vietnam and Laos, as well as the solidarity, friendship, and all-around cooperation among the fraternal peoples of Vietnam, Laos, and Cambodia—which are a fine, unchanging, and pure tradition—have been ceaselessly consolidated and developed. (supplying variant material)

Page 41, column one, paragraph six, only sentence reads: The two chairmen expressed their firm belief that the Vietnamese people, under the correct and clear-sighted leadership of the glorious CPV, headed by esteemed Comrade General Secretary Nguyen Van Linh, and the Lao people under the correct and clear-sighted leadership of the glorious LPRP headed by esteemed Comrade General Secretary Kaysone Phomvihane, will make joint endeavors to do their utmost to defend and promote forever the friendly ties between Vietnam and Laos. (supplying variant material)

New Zealand

National Party Hits 'Bitter Leadership Row'

BK2609105690 Hong Kong AFP in English 0850 GMT
26 Sep 90

[By Michael Field]

[Text] Auckland, New Zealand, Sept 26 (AFP)—A bitter leadership row broke out Wednesday in New Zealand's opposition National Party, just when it was beginning to think it had next month's general election won.

Opposition leader Jim Bolger warned backbench rival Winston Peters that his implicit questioning of National's claim of achieving nil to two per cent inflation by 1993 could cost him a cabinet post after the election. Mr. Peters, who sparked the row by comments on television late Tuesday, replied that he would not be silenced for an "expedient bauble of political power".

The dispute, the latest in a series of clashes, is considered more about leadership than economic policy. It will continue Thursday when National MPs hold what Mr. Bolger says will be a "stormy caucus". Mr. Peters, a controversial conservative Maori, is the top scoring opposition MP in preferred prime minister polls. He does not hide his leadership ambitions and is seen by commentators as Mr. Bolger's successor should National lose the elections.

For the ruling Labour Party, around 20 percentage points behind National heading to the October 27 elections, the row is a godsend.

Mr. Peters had directed his comments at Labour's inflation target, but as this is identical to National's although by 1992 instead of 1993 he was universally understood to be sniping at Mr. Bolger.

At a press conference Wednesday Mr. Bolger said he had told Mr. Peters not to appear on television. Mr. Peters, a supporter of more government intervention in the economy, went ahead anyway, saying inflation targets had to be more realistic, given the latest Australian budget projections, a rising international inflation rate and now the Gulf crisis. Rational economists were arguing for a rate somewhere between four and five per cent, he said.

"It's stupid going on making statements as the government has and I will not support that policy which will send us into recession and massive unemployment."

Also Wednesday, after Mr. Bolger warned that he was damaging his cabinet prospects, Mr. Peters issued a statement saying he regretted "the unfortunate response to my long held views on the government's inflation target" but repeated that he would continue to say what he believed. "The National Party is not about mind

control and I am not about to abandon my conscience or the people I represent for the expedient bauble of political power," he said.

Mr. Peters denied defying his leader by going on television, and said he did not care if he was jeopardising his position in a future government, adding, "I am not prepared to abandon my principles just to get re-elected."

Mr. Bolger said Wednesday that when he came to pick a cabinet in a future government he was sure he could find "something not too demanding" for Mr. Peters. When asked if he might be better off giving Mr. Peters something tough, Mr. Bolger said "No, he's shown ... That tough targets are not for him."

Mr. Bolger said he did not attach any importance to the fact that Mr. Peters was more popular in polls than he was. "I'm the one that's staying and I intend to stay," he said.

Several other National MP's have questioned the inflation targets but Mr. Bolger said they were "commenting intelligently on world events", whereas Mr. Peters was conceding defeat on a target "three years in advance, before we even start".

Papua New Guinea

Indonesia Admits 'Accidental' Border Crossing

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[Text] Indonesia has admitted that its troops crossed from the province of Irian Jaya into neighboring Papua New Guinea in recent months. The admission was contained in a reply to an official protest note from the Papua New Guinea Government to Jakarta's ambassador in Port Moresby. Radio Australia's Port Moresby correspondent, Sean Dorney, says the protest was lodged on 13 August.

[Begin Dorney recording] The Indonesian Government admits that some of its troops did cross over the border into Papua New Guinea in pursuit of Irian Jayan guerrillas but that any crossings were accidental and not deliberate.

The reply to Papua New Guinea's diplomatic protest was hand delivered by the Indonesian ambassador to Papua New Guinea, Major General Mulia Panjaitan. Papua New Guinea had alleged a series of border violations between June and August following a raid by elements from Irian Jayan rebel movement, the OPM [Free Papua Movement], on an Indonesian border camp in early June. After the raid the rebels fled into PNG territory.

The Indonesian note stresses Jakarta desire to maintain what it calls lasting good and friendly relations with Papua New Guinea. [end recording]